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WHITEAWAY'S

NEW SOVIET COUNTER-ATTACK DEVELOPING: CONTINUOUS FIGHTING

LONDON, July 30 (REUTER).—THE PRESENT RUSSIAN COUNTER-ATTACKS MIGHT BE THE START OF LARGER ONES THOUGH EVIDENCE IN LONDON OF A MAJOR RUSSIAN COUNTER-OFFENSIVE IS LACKING.

EVERYTHING DEPENDS ON THE MATERIAL, EQUIPMENT AND THE NUMBER OF MEN AVAILABLE.

AIR ATTACK ON U. S. GUNBOAT

Serious Washington Reaction

Special to the "Telegraph"

WASHINGTON, July 30 (UP).—The United States Government has made formal representations to the Japanese Government over the bombing of the American gunboat Tutuila at Chungking.

SECRET SOVIET WEAPON

Gives Fine Results

MOSCOW, July 30 (REUTER).—The existence of a Soviet secret weapon was revealed today with the announcement that M. Stalin had received its inventor, M. Kostikov, and had expressed high praise of the new weapon.

The weapon has taken M. Kostikov and a group of engineers working under him three years to develop, says "Pravda," announcing the success of the research. Without giving details "Pravda" says this: "The new weapon has displayed excellent qualities in war conditions. When M. Stalin received M. Kostikov, he not only highly praised the new weapon but gave him new tasks and valuable advice for his future work."

Iceland Move Aids Britain

SPECIAL TO THE "TELEGRAPH"
WASHINGTON, July 30 (UP).—Chairman Walter F. George of the Senate Foreign Relations Committee said today that the United States occupation of Iceland is helping Britain to get "the upper hand" in the Atlantic. "Although there are still shipping losses, they are constantly decreasing," he said.

Fifth Columnists In Iran & Afghanistan

LONDON, July 30 (REUTER).—"A vast German fifth column" is in Iran and Afghanistan, according to the Eastern Correspondent of the Independent French Agency.

The correspondent says: Great Britain and Russia are at present engaged at Teheran and Kabul in combating the subterranean activities of this fifth column. Utilising these two centres as bases, German agents and saboteurs are infiltrating into the neighbouring territories on the Soviet Caucasian republics, the Republics of Turkmen and Soviet Turkistan as well as the North-West Frontier of India. "Accidents which appear to be attributable to sabotage in industrial centres in the Caucasus have led to increased vigilance by the Soviet authorities."

Mr Sumner Welles, the Under-Secretary of State, announced the action to the press after a conference with the Japanese Ambassador, Admiral Nomura who called at the State Department. Mr Welles refused to describe the representations as a "protest" but they are interpreted as indicating that the United States viewed the attack on the American flag seriously. Mr Welles asserted that the Government was advised this morning that a fleet of 26 Japanese bombers dropped bombs near the Tutuila and the United States Embassy at Chungking, but added that for the present he did not wish to make any comment except to call attention to the fact that both properties are on the opposite bank of the river from Chungking proper.

Damage Described

WASHINGTON, July 30 (REUTER).—The Navy Department announced today that the United States gunboat "Tutuila" had been damaged by Japanese bombs during a Chungking air raid. No casualties were caused. The spokesman said that the raiders loosed several bombs over the gunboat and slightly damaged the stern superstructure, some equipment and shattered the "Tutuila's" small outboard motorboat. The spokesman believed that the damage was incidental to the general raid, although the "Tutuila" was anchored in a so-called safety area across the Yangtze river from Chungking. The United States Government has strongly protested to Japan.

Peru And Ecuador

WASHINGTON, July 30 (REUTER).—Mr Sumner Welles, Acting Secretary of State, announced today that cessation of hostilities between Peru and Ecuador might be expected in the immediate future. Indications this morning gave hope of a prompt solution of the dispute. It will be remembered that fighting has continued on the Peru-Ecuador frontier since the armistice was announced last Saturday.

There is still intense fighting in the Pskov, Smolensk and Kiev areas. The Russians have launched strong counter-attacks, particularly in the Smolensk sector.

The Germans have made no progress anywhere apart perhaps from a very slight advance south of Kiev.

SOVIET COMMUNIQUE

MOSCOW, July 30 (REUTER).—The following communique was issued by the Soviet Information Bureau this evening:

Our troops continued fighting the enemy in Novorzhev, Nevel and especially stubbornly in the Smolensk and Zhitomir directions.

In other directions and sectors of the front, no important engagements took place. Our air force, in close co-operation with land troops, continued to deal blows to enemy tanks and infantry troops and to enemy aircraft on aerodromes. They were bombed as was also Plesk and Sulin where large fires broke out as the result of the bombing.

Red Air Force

On July 29, our air force, according to incomplete data, destroyed nine German planes. We lost five planes.

MR HOPKINS IN MOSCOW

SPECIAL TO THE "TELEGRAPH"
LONDON, July 30 (UP).—Moscow radio announced that M. Stalin and M. Molotov conferred with the United States Ambassador Mr Laurence Steinhardt and Mr Harry Hopkins today.

Expedite War Material
WASHINGTON, July 30 (UP).—It is officially stated that Mr Harry Hopkins, chief of the Lend and Lease activities, went to Moscow at the special request of President Roosevelt to discuss expediting the delivery of war materials.

Death For Inefficient Fire Watchers

MOSCOW, July 30 (REUTER).—Soviet determination to combat all Nazi attacks is further evidenced by drastic punishment of slackness in fire-fighting in Moscow.

Three high officials of the Moscow Car Parts Supply Trust and the responsible fire-warden of the Trust have been sentenced to death for inadequate provision of fire-fighting equipment and general slackness in precautions.

The inventory manager received a sentence of ten years' imprisonment. The case was judged by a military tribunal and the accused were charged with deliberate sabotage and counter-revolutionary activity owing to a fire on the night of July 14 on the Trust's premises, causing damage of 3,500,000 roubles. The fire lit up one quarter of the city nullifying the black-out.

RUMOUR DENIED

LONDON, July 30 (REUTER).—It is learned in London that there is no truth in the rumour that 20,000 American soldiers are already in Egypt. The only American service personnel in Egypt are a few observers who are there in connection with considerable deliveries of American equipment now taking place in the Middle East.

Polish Army To Be Formed On Russian Territory

LONDON, July 30 (REUTER).—The Soviet Government has given its consent to the formation of a Polish army on Russian territory, announced Mr Anthony Eden in the House of Commons today, amid loud cheers.

Mr Eden made this remark when telling the House that a Soviet-Polish agreement had been signed at the Foreign Office.

Strong R.A.F. Pressure In Mid. East

42 Enemy Planes Destroyed
CAIRO, July 30 (REUTER).—A German dive-bombing attack on British shipping off the coast of Crete, North Africa, on Tuesday was driven off by R.A.F. fighters which shot down six enemy planes, according to an R.A.F. Middle East communique.

A strong formation of Junkers 87's, escorted by Messerschmitts, made the attack. Four bombers and two fighters were brought down. Reconnaissance has shown that Monday's raids on aerodromes in Sicily were more successful than at first thought. Both at Catania and Bizzonia, the number of badly damaged aircraft is greater than originally reported and the number of planes confirmed to have been destroyed during the sweep has risen to 36 with the knowledge that six, not four, fighters were destroyed at Catania.

The communique also reports the dropping of some ten tons of bombs on the quay and shipping at Benghazi during the raid on Monday night by R.A.F. heavy bombers.

Two R.A.F. planes are missing from the latest operations.

Raid On Nazi Shipping

The R.A.F.'s daylight offensive against enemy shipping is being carried out relentlessly. Here is an artist's impression of a Bristol Beaufort destroying a Nazi supply ship off the Norwegian coast. The success of this attack on a German convoy has been officially reported.



JAPANESE TRYING TO DRAW THAILAND INTO NEW ORBIT

BANGKOK, July 30 (REUTER).—While authoritative circles deny that Japan has offered Cambodia and Laos as *quid pro quo* if Thailand will join the "New Order," well-informed observers believe that it is only a question of time before Japan sounds Thailand on proposals of some sort.

They think that it is quite probable that Japan will shortly offer the world-famous Angkor Wat and Laos in Indo-China in the belief that Thailand will be very glad to have the former for sentimental reasons and the latter on internal political grounds.

The offer might be subject to two important conditions—firstly, Japan to have a virtual monopoly of Thailand's rice, tin and rubber exports; secondly, temporary facilities for Japan to use naval and air bases in Thailand.

Observers maintain that whether Thailand will seriously consider such a conditional offer when it comes is another question altogether though it will largely depend on the attitude of Britain and America.

They are sure that Japan knows better than to assume that the walks over at Vichy can be repeated at Bangkok despite the fact that Japanese forces are now poised on Thailand's eastern borders.

Counter Blockade

According to the same observers, those at present guiding Thailand's destinies are very closely following every facet of the Far Eastern crisis and the latest British and American reactions to it. They are fully alive to the fact that Britain and America would consider the above-mentioned economic condition as active assistance to any Japanese counter-blockade and the strategic condition abandonment of Thailand's neutrality.

Even if Thailand is prepared to discuss a modified form of economic condition, she cannot easily be persuaded to commit herself on the strategic condition.

It is also equally probable that Japan will immediately ask Thailand to recognise the Manchukuo and Nanking regimes. This will be a feather to see to what extent Thailand relies on the backing of other Powers to resist pressure.

No Pressure

Thailand has met with no pressure, economic or military, from any Power and has no anxiety whatever about being the object of military aggression by any foreign country, says a communique affirming Thailand's foreign policy.

The communique adds that Thailand will not be concerned with any dispute arising outside of her borders but will gladly carry on trade relations with foreign countries with a view to maintaining friendly relations with every country.

Elastic Reprisals

LONDON, July 30 (REUTER).—"Somewhat elastic reprisals"—this is the "Manchester Guardian's" comment on Tokyo's rejoinder to British, American and Dutch freezing. Drawing attention to the Japanese announcement in New York that interest on the sinking fund payments on dollar bonds would be continued, the "Manchester Guardian" says that unofficial Japanese quarters in London have hinted that the service of sterling bonds will probably be maintained if sufficient trade is allowed for accumulation of sterling balances.

The "Manchester Guardian" points out that only about £2,000,000 is required for the annual upkeep payment to British holders and Japanese financiers are anxious not to spoil the Japanese record for regular payment.

Cash Basis

The new regulations do not in fact bar a certain amount of trade on a cash basis and the embargo on the supply of important raw materials to Japan does not yet apply to oil. Economic pressure has only begun. The Democratic Government have not yet shut Japan's way.

Marines At Malta

Have Situation Well In Hand

LONDON, July 30 (REUTER).—The break-up of the Italian "mystery boat" attack on Valetta harbour (Malta) is the subject of a telegram of congratulations from the Chief of the British Imperial General Staff Sir John Dill, to the Commander-in-Chief of Malta, Lieut-General Sir William Dobbie.

General Dill states: "Please convey my congratulations to all ranks of the Royal Marines artillery manning the fixed defences on their great success in breaking up a determined enemy sea-borne attack on the grand harbour. The action of these gunners has excited universal admiration here in the United Kingdom. The skill and determination shown by them will act as a strong deterrent to future enemy attacks by sea."

Roosevelt Warns Of Inflation Dangers

Special to the "Telegraph"

WASHINGTON, July 30 (UP).—Warning that America's defence effort is being jeopardised by an inflation threat, President Roosevelt today asked Congress to enact price and rent control legislation, and to bring about the establishment of wage ceilings by co-operation with labour and industry.

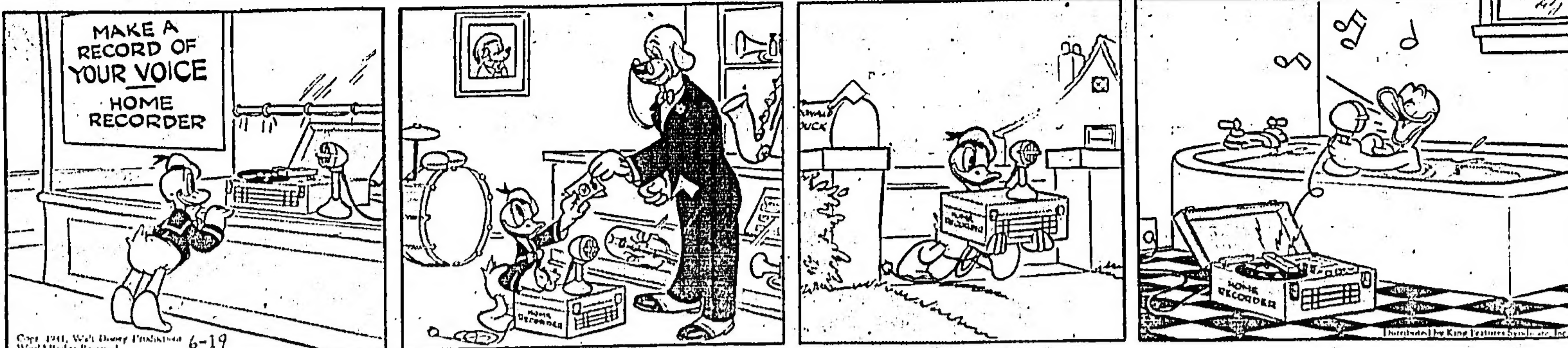
The President's special message did not recommend the actual legal establishment of maximum wages, admitting that "there will always be a need for wage adjustments from time to time to rectify inequitable situations."

TURN TO BACK PAGE, COLUMN 5

LATEST

See Back Page For Further Late News

DONALD DUCK



By Walt Disney

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CONTRACT BRIDGE

How to Play
AND
How to Win

By JOSEPHINE GULBERTSON

When Not to Win a Trick

THE inexperienced bridge player bends every effort toward the winning of tricks, under all circumstances, and regardless of their class, colour and degree. To him "a trick is a trick," and he is grateful for all and sundry.

The experienced player has learned to appreciate that certain types of tricks are burdens rather than prizes. This valuable lesson enables him to waive the brilliant sort of defence found in the following deal:

Rubber bridge.
Both sides vulnerable.
South dealer.

| | | |
|----------|---------|---------|
| ♠ K 7 | ♠ A 8 2 | ♠ J 5 3 |
| ♥ A J 10 | ♥ 9 8 7 | ♥ 6 5 |
| ♦ 6 4 | ♦ 3 | ♦ K 8 5 |
| ♣ Q 7 3 | ♣ A 8 | ♣ K 6 4 |

The bidding:
South West North East
1♥ Pass 1♠ Pass
2NT Pass 3♠ Pass
3NT Pass Pass

North would have been well advised to persist with his spades to the game level. South's notrump bidding had announced a minimum of two spades and the overwhelming presumption was that these would include a high honour. South also might have chosen a spade rather than a notrump contract—but if he had, we would have no brilliant defence to record.

West made his normal and correct opening of the diamond jack, the top of an interior sequence. Declarer won and, correctly analysing that it would probably be necessary to bring home dummy's spade suit, laid down the ace, intending to follow up with his low spade. If West had automatically followed suit to the ace, the defenders would have retained only an academic interest in

the rest of the play. A second spade lead would clear the suit and with West on lead, declarer's remaining diamond stopper would remain intact. Thus it would be easy for declarer to collect five spade tricks, three hearts, the diamond already home, and at least one club.

West, however, did not play automatically. He recognised the vital need of having a diamond led through declarer's remaining honour, and he saw further that if he were to retain the king as the only spade stopper for his side, it would be very doubtful that East could ever get on lead. There was no assurance that declarer himself did not hold the spade jack as well as the ace, but if this was so, it was an odds-on chance that no line of defence could be successful. West was determined not to give up without a struggle; hence on declarer's spade ace, he deliberately played the king!

The effect of this bold unblocking play is easy to follow. Now there was absolutely no way for declarer to clear dummy's spade suit without giving East the lead and it was equally impossible for declarer to win nine tricks without establishing spades. West's bold but sound manoeuvre had saved the day for the team.

To-morrow's Hand
Rubber bridge.
South dealer.
Both sides vulnerable.

| | | |
|---------------|-------|------------|
| ♠ J 10 7 3 | ♠ 8 6 | ♠ K Q 10 9 |
| ♥ Q 10 8 | ♥ 5 3 | ♥ 7 6 3 |
| ♦ J 10 8 4 | ♦ 2 | ♦ 7 6 3 |
| ♣ A K Q 6 4 2 | ♣ A K | ♣ K J 5 |

How should South play his seven spade contract?—Opening lead—diamond jack.

WITH A MOBILE CONCERT PARTY

The Muddicombe Mobile Concert Party had its beginning, where many good things began, in the mind of Fanny Tryer.

Fanny's husband was mine-sweeping. Running a house, garden and chicken yard, keeping an old father-in-law and an evacuee family at peace with each other, watching over the welfare of the village, left Fanny with energy still to spare.

Then Fanny's sister, Chloe, bombed out of her flat in London, came to Muddicombe. Chloe was lame, but her mind and her piano-playing fingers moved like lightning.

A couple of R.A.F. men, from the observation post on the hill, came to Fanny's house for a bath.

"I hear they had a grand concert in Smalltown last week," said one of them. "We chaps out here don't see shows like that!"

"Why should not we get up something to amuse the men in the country?" said Fanny to Chloe.

And so it all began.

topical verses, the local back-chat, which gave to every performance its intimate, personal note.

The party's chief difficulty was transport. There had to be careful pooling of cars and petrol. "Props" were reduced to the pierrot caps and ruffs and the funny man's top hat. They played on curious stages, with Army blankets as curtains, the footlights candles in the halves of tobacco tins. There was one occasion when a stage had been prepared of boards laid on the top of barrels. When the performers

A Letter from Everyday England

By KATHLEEN CONYNGHAM GREENE

all moved to one end of it the boards tilted, with an unrehearsed comic effect!

A piano was always produced from somewhere.

There was a night when a bomb crater stopped the only road to the aerodrome. One airman carried Chloe over the debris, another carried her crutch.

There were times when the arrival of the concert party coincided with that of Nazi aircraft.

"See what a name you folks have got. . . ! Even Goering can't keep away from your show!"

There was a night when the snow came during a performance on the downs. The cars were stuck, the truck to the main road blotted out. Wrapped in the Army blankets that had draped their stage, the "Muddy Mob" spent the night round the stove in the hut that had housed their show.

The Women's Voluntary Services gave the "Muddy Mob", as they called themselves, help and encouragement from the first. They helped in copying song parts, in putting the party in touch with custodians of village halls.

If you had asked Fanny how she got her party together she could not have told you. They just seemed to come. The village grocer turned out to be a wonderful tap-dancer. It only needed a little persuasion on the part of Chloe to make him a singer too. A bank clerk in Smalltown was discovered to have a genius for comic recitation. His wife could sing Victorian ballads "so as to melt your heart". A Voluntary Aid Detachment nurse at the Smalltown hospital had been training for the ballet when the war came. She was only too glad, she said, to have a chance of keeping her toes in practice, and dancing was positively restful after a day in the wards. The Muddicombe station master had a stirring baritone voice. He could bring the house down with a sea-shanty or a plantation song.

"We're not just a comic party," said Fanny. "A little of all sorts is our motto."

A roomful of men would sit spellbound on hearing Chloe's violin or her birdlike soprano in a Schubert song.

Fanny was comical, gay, alert, resourceful; drawing audience and performers together with her quick magnetic sympathy, filling any gap with a story, or with the sudden silly question that set the whole house laughing. Chloe was accompanist. Between them they wrote the

GRIN AND BEAR IT By Lichty

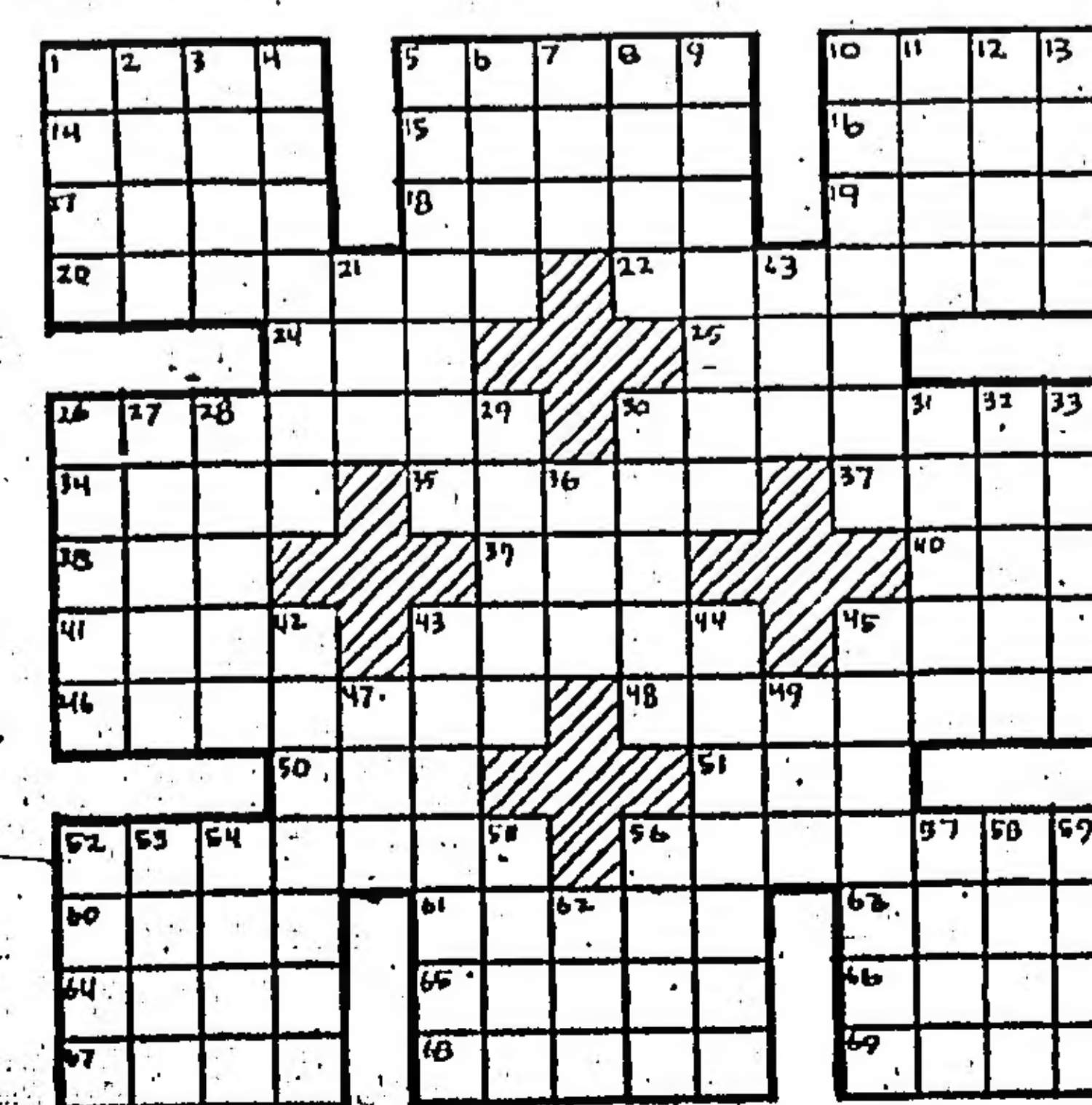


"Otis certainly has grown up these last eventful months—in December he was writing to Santa Claus—now he writes to our Congressman!"

Crossword Puzzle

By LARS MORRIS

| | | |
|------------------------------|---------------------------|-------------------------|
| ACROSS | ANSWER TO PREVIOUS PUZZLE | 4—Judgment |
| 1—Center | PARADES | 5—Paid high honor to |
| 2—Kind of poem | SOLACES | 6—Father (French) |
| 3—Wind | OBERTON | 7—Dressed and metal |
| 4—X-ray-shaped | TRIBUTES | 8—Double |
| 5—African ground-squirrel | RUNTERE | 9—Intense nature |
| 6—Wind instrument | RECENTLY | 10—Those who charge |
| 7—Burn | EXETER | 11—Quilled |
| 8—Portions of land | RETTA | 12—Sharp to taste |
| 9—Astronaut suit | RETTA | 13—Circled |
| 10—Are settled | RETTA | 14—Club used in |
| 11—Those who are temporarily | RETTA | 15—Barrel |
| 12—Born as | RETTA | 16—Device for catching |
| 13—Member of | RETTA | 17—Bait (Scottish) |
| 14—Technical trade | RETTA | 18—Annual penalty of |
| 15—Woman who plays on stage | RETTA | 19—Touched by sea |
| 16—Religious holiday | RETTA | 20—Stare mature |
| 17—Funeral hymn | RETTA | 21—Promote formally |
| 18—Gratitude to full | RETTA | 22—Hard object |
| 19—Laid down | RETTA | 23—Closed automobile |
| 20—Prison near by | RETTA | 24—Tender-like animals |
| 21—Duck | RETTA | 25—Hates |
| 22—Fetus | RETTA | 26—Gnawing |
| 23—Lifting apparatus | RETTA | 27—Infinite in duration |
| 24—More repelling | RETTA | 28—More sleep |
| 25—Made of burnt clay | RETTA | 29—Put out |
| 26—He tapped | RETTA | 30—Transact business |
| 27—Drive for | RETTA | 31—Ground |
| 28—Marked with | RETTA | 32—Hard object |
| 29—On out of way | RETTA | 33—Closed automobile |
| 30—Rise | RETTA | 34—Tender-like animals |
| 31—Warning device | RETTA | 35—Hates |
| 32—Back of neck | RETTA | 36—Gnawing |



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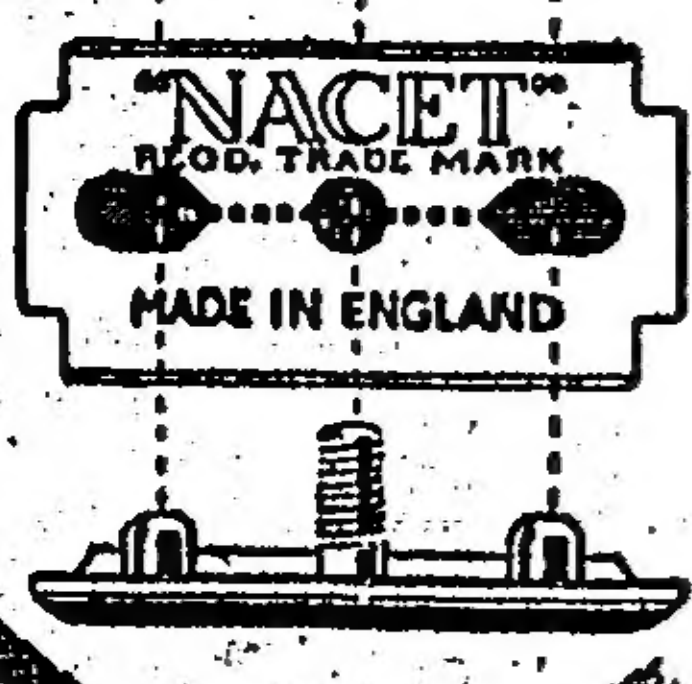
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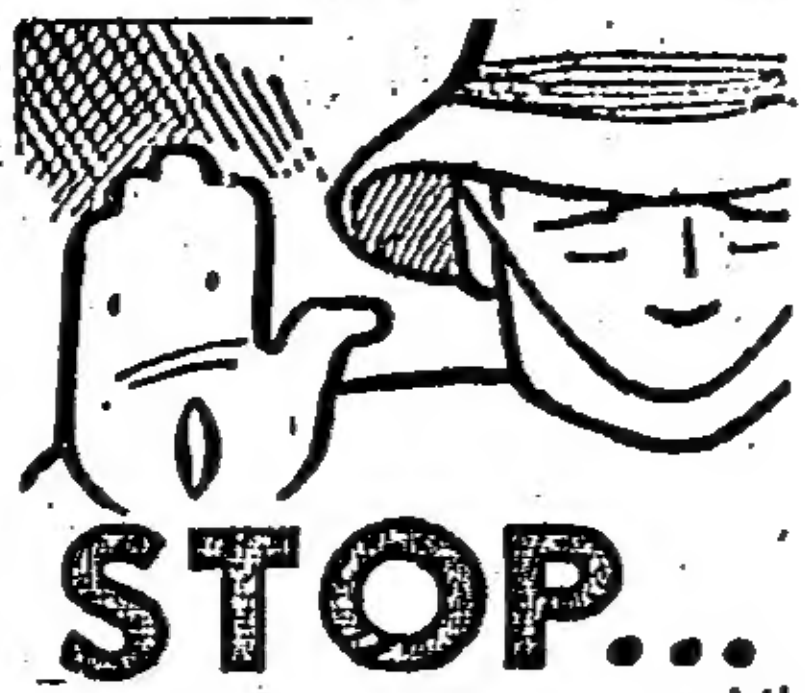
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ACKNOWLEDGMENT

Mr. A. E. Contes and daughters and Miss L. M. de Souza express their deep gratitude to a friend and relative for his expressions of sympathy, floral tributes and attendance at the funeral of the late Mrs. Gladys Contes. They wish to record their appreciation to the sisters and nurse of the St. Theresa's Hospital, also to the doctors and the Rev. Father for their kindness and attention.

The
Hongkong Telegraph

Thursday, July 31, 1941.

Wyndham St., Hongkong
Telephone: 26015

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RUSSIA'S GREAT FIGHT

NO one will take issue with Mr Churchill on his weighed words that we cannot expect Russia or America to win this war for us, but we are mightily comforted by the superb fight that the Red Army and Air Force is putting up and the courageous stand on our behalf by the United States which is proving literally to be the arsenal of democracy.

Turning to reports of the actual front it is revealing to find the Germans making false and over-optimistic communications on the progress of the invasion of Russia—a strategem that the Reichswehr have so far scorned or found unnecessary. Almost at the outset they declared that the Russian air force had been wiped from the skies yet this same force is to-day not only giving adequate support to the armies on all fronts, but it actually finds the extra margin to enable persistent bombing of the Rumanian oil fields. Divisions of the Red Army have been "annihilated" only to prove strong and irksome impediments in the rear of the Nazi army, threatening the isolation of the invaders' advance forces and hampering supplies of petrol and munitions going to the front. Of the Red Fleet little has been heard but it is doing something in contesting domination of the Baltic Sea and will certainly keep some German naval forces engaged in that area.

Admiration will be given unstintingly to the Red Army which has not flinched and suicidal onslaughts with a phlegm uncounted young men into a fray which had no justification even before his own people, and no one knows how many he will bring back or whether they will return with victory. Certainly the fall of Moscow or Leningrad will not decide the issue.

Hungary and Rumania may be satisfied with slices of territory which have already been yielded and may require further German stiffening. Finland will almost certainly be satisfied with the restoration of the territories recently wrested from her but, though not the Jackals that the Rumanians and the Hungarians have proved to be, they may not feel able to abandon their alliance with the enemy. There are mixed feelings about Finland and that fire is best not kindled.

How Sanctions Would Hit the Japanese

A detailed study prepared average Japanese was one-portant machinery producer ed dependence on imports by a leading Chinese econo-quarter that of the average not actually at war and from the U.S.A. Nor does mist and just made public American. Since then it within reach. he think that Tokyo has

indicates that the U.S.A., by has dropped by 46 per cent, 5. The best barometer reached the point of col-economic sanctions, can and the bottom isn't in of the trouble Tokyo is en-lapse.

sharply reduce aggressive sight. counterering in trying to But from the data he has

Japan's ability to wage war. Since the average Japa-keep her war machine go-gathered—and it must be

The report says Japan is nese was broke to begin ing is her shipbuilding in-regarded as reliable, though

without most of the sinews with, the drop since 1936 dustry, vital because of Mr Hu is a Chinese writing

of war and depends on for-has come not out of luxuries Japan's dependence on for- about Japan, for he is the

eign trade to get them. such as autos and radios, eign trade, and vital as author of previous reports

Unlike her Axis partner, but out of food. Even the auxiliaries for her fleet. on Japan the accuracy of

Germany, she does not have Japanese Army has found Annual capacity of Japa-which has been proved—it is

either the advanced machine what this means: 40 per nese yards is 800,000 tons possible still in an effort to

industries or scientific cent of the young Japanese (for purposes of compari-ease her headaches.

techniques to get along called up for military ser- tain's normal peace-time

chiefly on ersatz. Most vice have to be rejected. son: about one-third of Bri-

Japanese war imports comd from the U.S.A. and the levies plus industry's en-has been:

British Empire. 3. The Army's huge capacity). Actual output

“Unless Japan can have continued access to the material resources of the hanced demands for labour

U.S.A. and the British Em-are stripping Japan's fields 1937 455,000 tons

pire, and of areas within the of the all-important rice 1938 454,000 tons

range of their influence, growers. Tokyo this year Sept., 1938—Aug., 1939 432,000 tons

whether through normal is having to take drastic Sept., 1939—Aug., 1940 328,000 tons

trade channels or as a measures to prevent a rice coal, copper, petroleum and several price control

special diplomatic conces- shortage, partly as a result railroad rolling stock schemes, but they have been

sion, she can never hope to of this and partly as a result Though the bulk of Japan's largely nullified by “black

develop sufficient strength of a drought in Korea, copper and petroleum must markets.” The answer—

even to cope with the ‘China Japan's first colony on the be imported, some of each is more rigid price controls.

incident,’ let alone to realise mainland of Asia. produced in the Island Em-

“Greater East Asia Co- is at an all-time high. Un- 6. The decline in ship-

Prosperity Sphere,” the employment is almost un-building is significant be-

study declares. known; there is a general cause so many key raw

The report was prepared by T. Y. Hu, director of the labour shortage, as well as materials enter into ships.

Chinese Council for Eco- an acute shortage of skilled Severe shortages are in-

nomic Research in Washing- workers. Factories are dicated. Here is a list of

ton. It is one of the first working at close to capa-some of the more important

detailed pictures of what city. Two-fifths of Japan's of the raw materials which

is happening inside the workers work 12 hours a are imported, and of Japan's

poverty-stricken, ambitious day, and most of the rest 10. customary sources for

Island Empire after four This can't be increased; the them:

years of war with China. Government, as a matter of

fact, found it necessary two Iron ore, Malaya and the

and a half years ago to rule Philippines; oil, the Dutch

out more than 12 hours of East Indies and (all except

work a day. Japanese the higher aviation grades) economics got in the way of

1. Japan's industrial ma- labour is working very the U.S.A.; copper, at least their armament effort, they

chine, after a decade of run- nearly as many hours as tin, Malaya; rubber, Ma- used police power to break

ning at ever higher speed, human beings can work. laya; machinery, the U.S.A. But police power can't

has begun to run down in But still the goods of war last summer. That was

the last year. It is more the and the necessities of life do precisely when Japan ran

dependent than ever on not come from the factories into her most serious mili-

what it can get in the way of tools, iron and steel, oil tary difficulties in China. try, Japan's principal sup-

of tools, iron and steel, oil must build new factories—last summer. That was

and other goods from the with more modern machin- precisely when Japan ran

U.S.A. But this is particularly diff- 7. All the indications provide oil. That takes

2. Japan's people are paying for the war by a cult if all access to the Mr Hu doesn't carry his try, Japan's principal sup-

frightful lowering of their markets of the U.S.A. is cut discussion of conditions in plier is in a position to exert

living standards. Before off. The U.S.A., aside from Japan beyond pointing out effective pressure. —From

1937, the real income of the the USSR, is the only im-the Island Empire's increas- “P. M.” (New York).

I SAW COLOGNE BOMBED

When the British raids first began we were careless and didn't trouble to go down the shelters in the basements of our houses (each basement being joined to the next by a door which we were obliged by law to make). Then, months ago, the raids began to increase and grew more terrible until, on March 10 or 12, there was a raid which lasted from about ten in the evening until three or four in the morning and caused great havoc.

Since then people have been very depressed. We were not permitted to speak of the raids, but sometimes, in shops, when there were no secret police near, you would hear women talking in low voices about the damage done. Though the soldiers are cheerful and believe Germany is winning the war, the people do not know and do not believe the things they are told.

One night after a raid there was a great fire at the works of I. G. Farben Bayer, which we were able to see across the Rhine. But the next day we heard that all the children of the officials and employees of the company who live at Wiesdorf Leverkusen were assembled and told by their teachers that there had been no fire, and they were not to say there had been a fire.

We hear little of damage done to factories because the work-people know well what will happen to them and their families if they say a word to anyone. Sometimes we see the damage that happened when the West railway bridge was hit, and when the suspension bridge was closed for some days, and when a time bomb fell in front of the Central railway station.

One day I tried to go on the electric railway to Godesburg, but the trains were cancelled because bombs had fallen on the Hermann Goering steelworks between Wesseling and Godesburg, and because there was so much damage that they could not get the trains past the place.

In Old Cologne, the centre of the city, I myself saw ten build-ings in a row blown away by a British bomb. It was in the protect from punishment.

This is an eye-witness story of the effect of R.A.F. bombing Rohrergrasse. A whole row, from the Burgergeellschaft to the Appellhofplatz, was down. I saw it by leaning over the rope and looking round a wall. I saw nine bodies brought out from premises on the Teutoburgerstrasse, and afterwards it was said officially that there were only three killed.

I have seen or heard of considerable damage in the suburbs of Bayenthal, Klettenberg, Sulz, Braunsfeld, Ehrenfeld, Nippes, Kalk and Deutz.

We also heard that saboteurs, or an enemy spy, had partly destroyed a big anti-aircraft camp in a field at Wahn, near Deutz.

COLOGNE is a Catholic city, and there is great anger over the treatment of Catholics, though no one speaks his thoughts. Priests can no longer walk through the streets because they are insulted by children whom the Nazi Party officials and police encourage and

INDIA BLOCKS CREDITS

BOMBAY, July 30 (Reuter).—The Reserve Bank of India has issued instructions to all banks that the accounts of all persons and firms resident in India, including Shanghai, or accounts of all firms and companies incorporated in that country or under the control of residents in these territories and operating in India shall be blocked.

Banks have been informed that they may honour obligations under confirmed credits opened on or before July 30, 1941 on behalf of residents in those territories and that they may also accept bills or pay cheques drawn by such persons provided they are presented by residents in India who became holders for the value on or before July 30, 1941.

Exempted From Order
The following accounts are exempted from the order but funds therein are released for payment within the sterling area only: Central Bank of China, Bank of China, Bank of Communications, the Farmers' Bank of China, the National Government of the Republic of China or any agency of it.

In addition, for the time being exemption also applies to accounts in India of Chinese branches of authorised dealers in foreign exchange.

Private remittances to China are no longer permitted and remittances for commercial purposes must be credited in rupees or sterling to accounts excepted account or to the blocked rupee account of a resident of China.

Private accounts of Chinese residents in India are not restricted.

MORE BRITISH NEWS, PROMISE

LONDON, July 30 (Reuter).—Mr. Brendan Bracken, the new Minister of Information, was tackled in the House of Commons to-day on the question of expediting the release of spot news and topical pictures to the United States and British Dominions.

He was asked to take into consideration the fact that the eminent American journalist, Dorothy Thompson, said that more hot news was wanted in America.

He declared that he would do everything in his power to give the maximum amount of news and photographs to the United States and the British Dominions and indeed to any part of the world that would like to have British news.

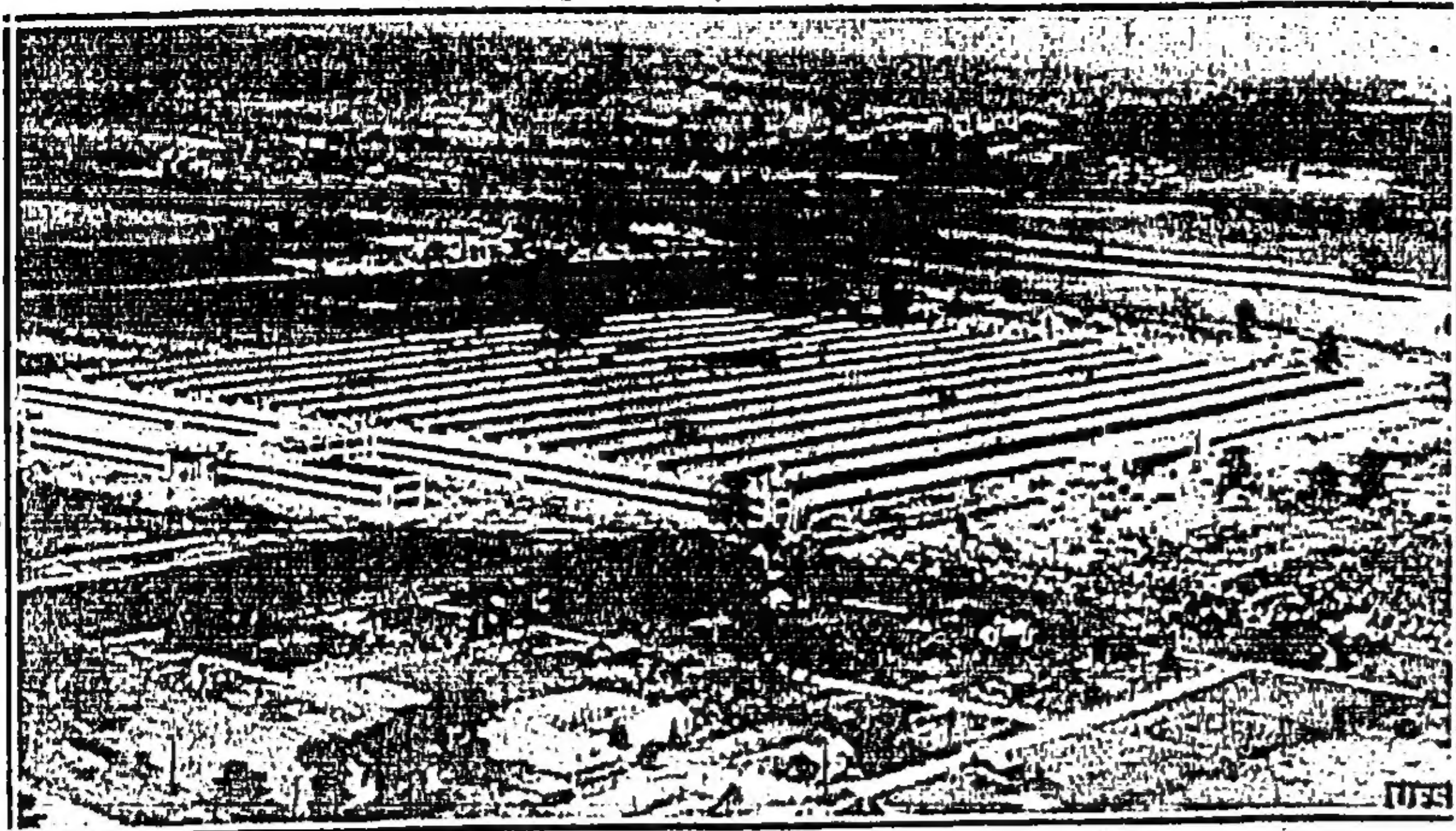
More Ships For The Orient

MANILA, July 30 (UP).—Business officials have received telephonic information from Washington that at least six ships are being assigned to the American President Lines for the Philippine run in an effort to relieve the acute shortage of shipping bottoms.

Labour Camp For Prisoners

LONDON, July 30 (Reuter).—Two thousand Italian war prisoners have arrived in Great Britain for work under the Ministry of Agriculture. They will be employed on ditching, draining land, reclamation and general agricultural work.

Labour camps have been constructed on suitable rural areas.



LARGEST AIR PLANT.—America's newest and largest aviation plant, dedicated by Wright Company at Lockland, near Cincinnati, Ohio. Costing \$37,000,000, it comprises 2,120,000 square feet and is largest single-story plant in world. First order is 1,000 plane engines.

Greek Army Chief Held Captive

Arrest of General Papagos, former Greek Commander-in-Chief, M. Mavroudis, Permanent Secretary of State in the Greek Ministry of Foreign Affairs, and other Secretaries of State is announced in Athens.

General Tsolakoglou, Greek puppet Premier, will prefer charges against them under German orders, accusing them of having instigated the war against Germany.

General Papagos resigned his post as Greek Commander-in-Chief when the Greek Government moved to Crete. —Reuter.

£10 Legacy To Mr Smith

Ten years ago Mr Lee Ashby Bolton, retired iron merchant, was walking slowly up the station steps at Shore Hill, Birmingham, carrying a suitcase. Some years before he had injured a hip in a football accident.

Mr Leslie Arthur Smith saw him limping up the steps and said "Here, let me help you," and carried the suitcase.

Mr Smith forgot all about it. Mr Bolton didn't. In his will, published a few weeks ago, he left £10 "to Leslie Arthur Smith for kindness to a cripple."

Their Finger Nails Trapped Them

A watchman making his rounds in Liverpool docks recently came across three firewatchers tampering with bacon loaded on lorries.

A detective took scrapings from the finger nails of the watchers, two pocket knives and a sample of the bacon, and scientists found that the scrapings and matter on one pocket knife consisted of tissue corresponding to that of the sample of bacon. The three firewatchers were therefore convicted of stealing 30 lb. of bacon and have been sentenced to imprisonment.

100 American Writers Press Aid To Britain

A manifesto calling for "all aid and at once—whatever that may have to mean"—to Britain to defeat Hitler was made public in New York recently over the signature of 100 leading American novelists, poets, essayists, and critics of every political opinion.

"The honest writer needs no argument against totalitarianism," the manifesto declares. "Intuitively, from the very beginning, he, or she, is its enemy, its bitter and implacable foe. The novelist, the short story writer, the article writer, the essayist, the poet, live by the printed word. And they cannot live, not even with themselves, if that word is false or if it is a slave."

"That is why authors everywhere hate Hitler. That is why, wherever the shadow of his obscene and bloody hand falls, authors are among the first to feel the growing darkness. That is why they are shot or put in concentration camps or flee."

"That is why to-day these United States and England and the Dominions and South America and a few other places urge all aid and at once, whatever that may have to mean, to the embattled Isles, whose language, which is also ours, is the only toll by which we live and think."

Among signers of the manifesto were Mary Roberts Rinehart, F. Scott Fitzgerald, Dorothy Canfield Fisher, Edna Ferber, Margaret Culkin Bannister, William Lyon Phelps, Stephen Vincent Benet, Oliver La Forge, Clifton Fadiman, Rex Stout, Thomas Mann, Henry Seidel Canby, Walter Edmonds, Hendrick Willem Van Loon, Deems Taylor, Robert Nathan, Louis Adamic, Maurice Hindus, Upton Sinclair, Max Lerner, Dr. Harry A. Overstreet, Ludwig Bemkemann, James P. Warburg, Herbert Agar, and Merle Crowell.

CALCUTTA, July 30 (Reuter).—The poet Rabindranath Tagore has undergone an operation. His condition is described as satisfactory. He is believed to have had kidney trouble.

Philippine Army Incorporation

Starts on August 15
SPECIAL TO THE "TELEGRAPH"

MANILA, July 31 (UP).—General MacArthur's headquarters to-day announced that the Philippine Army and Air Corps will be incorporated into the United States Army on August 15—representing the first actual step in the assimilation of Philippine forces into the United States Army.

The move involves at least 100 officers and 300 enlisted men.

Press Comment
WASHINGTON, July 30 (UP).—The "Washington Post" stated editorially that United States reinforcements in the Philippines are "already further advanced than is generally supposed."

The paper said that no informed person believes that Japan has any immediate aggressive designs against the Philippines, "but the U.S. armed forces are not taking anything for granted, least of all Japanese policy."

The "Post" saw special significance in the appointment of General MacArthur, as "unquestionably he knows better than anybody else the weaknesses of the islands' defence."

Poles And Russians Bury Hatchet

BY "REUTERS" DIPLOMATIC CORRESPONDENT

LONDON, July 30 (Reuter).—Russia and Poland have agreed to bury the hatchet and diplomatic relations will be resumed forthwith.

A general agreement between the two countries was signed this afternoon.

Negotiations have been delicate, but both Governments have shown an understanding and conciliatory spirit.

The agreement is accompanied by an exchange of documents between the Polish and British Governments, wherein the latter records its adhesion.

Two principal subjects covered by the agreement are questions of Polish prisoners and existing treaties.

General Amnesty
The Soviet Government has immediately ordered a general amnesty to Poles in Russia with complete freedom of movement. This decision will affect some 500,000 civilian prisoners now in Soviet hands, as well as about 100,000 soldiers. It is expected that large numbers will at once volunteer for service against the Germans.

As regards treaties, the Soviet Government expressly declared that the treaty concluded with Germany in 1939 to be null and void. It is, among other things, established a line of frontiers between Germany and Soviet Russia.

The effect of this happy solution of the conflict between Poland and Russia will inspire those Poles still suffering under the Nazi yoke with fresh hope and encouragement. It marks a big step forward towards post-war collaboration, and it is a sign of confidence in victory of the Allies.

A word of tribute must also be paid to the good offices of the British Secretary of State which greatly helped in bringing about the agreement.

Queen Wilhelmina Goes On Tour

LONDON, July 30 (Reuter).—"Should circumstances arise owing to the geographical situation of the Netherlands East Indies, to force a fight upon us, there is no doubt whatsoever that we would, with our Allies, accept that fight," declared Queen Wilhelmina of Holland in a special broadcast to her subjects all over the world to-night.

Adding that she did not forget her people in the western hemisphere to whom the torch of war could bring its horrors, she knew that an appeal to their peoples, the army and the navy, to bear the sacrifices would not be invalid.

British News In Central China

Commons Questions

LONDON, July 30 (Reuter).—In the House of Commons to-day, Sir John Wardlaw-Milne asked Mr. Anthony Eden whether he was aware that the enforced closing down, at the instance of the Japanese authorities, of the only British news agencies in Hankow, namely "Reuters" and "Central China Post" will have the result that large areas of Central China will in future depend for news on Axis sources alone.

In reply, Mr. Eden said that he appreciated the point raised by Sir John and a report had been called for which had not yet been received. Sir John: "Will Mr. Eden consider carefully whether there are any measures we can take to prevent this stoppage of publication of British news in China?"

Mr. Eden: "I entirely agree. That is why I have asked for this report to see what steps we can take."

Konoye Thinks War Serious

TOKYO, July 30 (Reuter).—"There is no doubt that this war is bringing serious effects to Japan," declared Prince Konoye, Japanese Prime Minister, addressing the 16th Plenary Session of the National Mobilisation Investigatory Commission to-day.

"Moreover, it is difficult to predict where this conflict in Europe may spread," added Prince Konoye. "In view of the rapidly changing world situation everyone in Japan must always be prepared to meet the worst."

"The Government is doing everything within its power to mobilise the country's resources and man-power to meet any situation that may arise in the future."

Prince Konoye urged members of the Commission to study all problems in bringing about the speedy carrying out of all Government mobilisation plans.

New Hope For Invalids

Cure Found For Kids

WINNIPEG, June 23.—The cure of invalid children through an operation for correction of a short-circuit in the blood stream has been successful in two of three cases operated on in a Montreal hospital, said Dr. Dudley E. Ross of Montreal here yesterday.

Dr. Ross, first surgeon to perform the treatment in Canada for "patent ductus arteriosus," described as a heart condition, outlined the procedure at the closing session of the seventy-second annual convention of the Canadian Medical Association.

The operation, he said, is required because of a short-circuit in the blood stream which normally exists only before birth. "If it persists after birth the possibility of development of an infection involving the great vessels of the heart, or even congestive heart-failure, may occur," he said.

A bad case of short breath where the child, ranging between seven and 11 years of age, fails to develop properly, should receive the attention of a physician, he advised.

Wing Comdr G. E. Hall, Ottawa, of the Royal Canadian Air Force, told a section of military medicine that unless the Air Force medical officer has flown in planes that have gone into deep dives and tall spins at high altitudes he will be unable to properly understand the ailments of airmen such as air sickness and blackout.

RATIONING WAR MATERIALS

U.S. Action Expected

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, July 30 (UP).—Defence officials to-day predicted that the iron and steel industry will be placed under a more rigid rationing system within a few days in order to alleviate the shortages in materials which is hindering the defence programme.

They declined to say whether or not the industries would be placed under a mandatory priority control, but stated that the Government order would make certain that iron and steel would "go first to defence."

Informed circles asserted that any rationing action may be expected about August.

CONSTITUTION OF CEYLON

LONDON, July 30 (Reuter).—The Under-Secretary of State for the Colonies was questioned in the House of Commons to-day regarding the position in respect to discussions for changes in the constitution of Ceylon.

It was stated that the Secretary of State is still in consultation with the Governor and that the Secretary of State was not yet in a position to say what the outcome would be or what progress would become practicable during the continuance of the war.

Palestine Policy

LONDON, July 30 (Reuter).—There has been no change of policy of the British Government with regard to Palestine, said Mr. Winston Churchill in the House of Commons to-day in answer to a question.

OTTAWA, July 30 (Reuter).—The Canadian Red Cross is immediately increasing its weekly food parcel shipments for British prisoners of war from 10,000 to 30,000. Each parcel will contain 10 food items.



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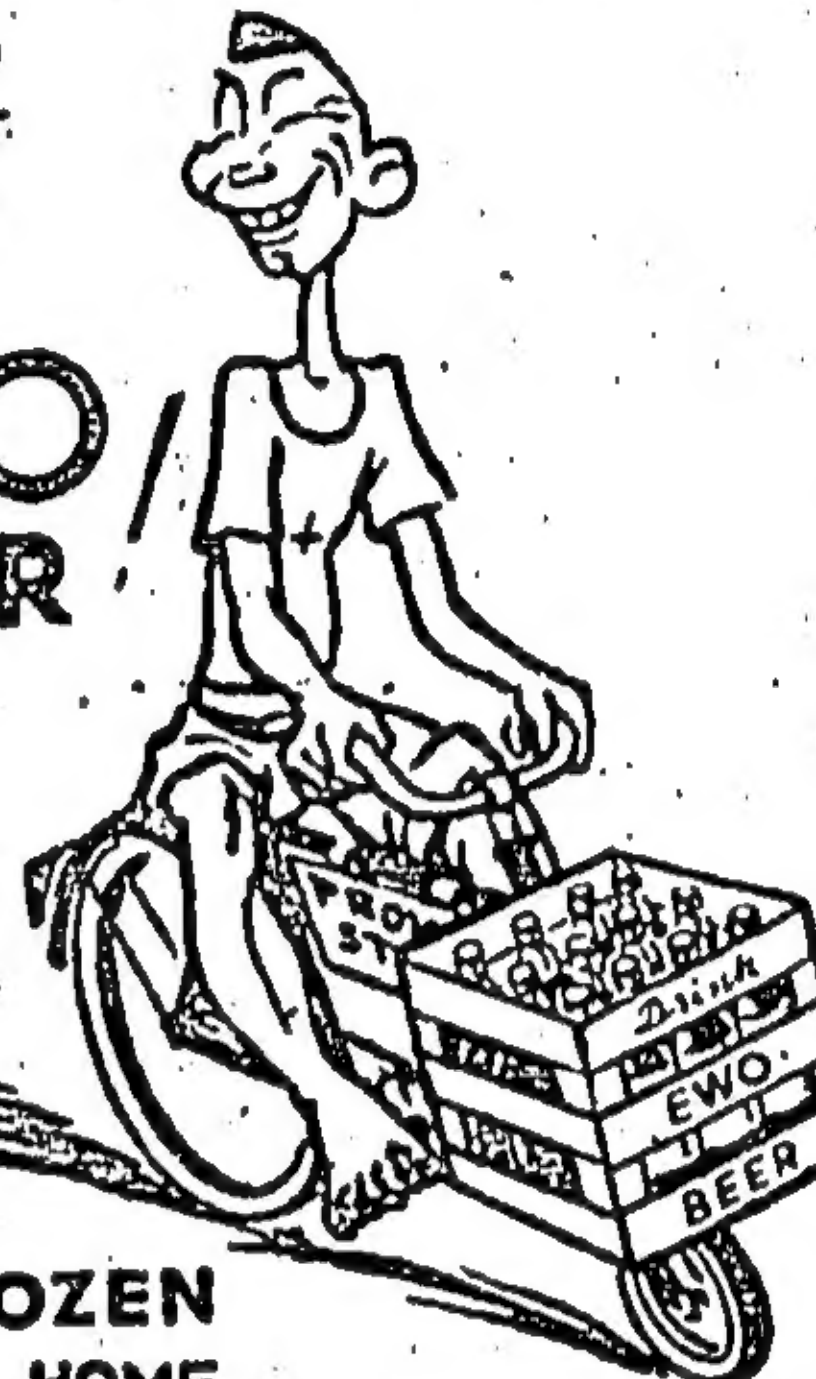
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7.45 p.m.

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NANCY

By Ernie Bushmiller



TUNNELS IN THE "ROCK"—Canadian dry rock miners tunnel into Gibraltar. Tunnels begun in 18th century serve as military storehouses, air raid shelters for island civilian population and covers for new artesian wells recently dug.

Three Women and Man Bound Over For Troopship Gossip

Gossip regarding the movements of two big troopships led to four persons being bound over at North Sydney court to observe the National Security Regulations.

Two of the defendants, Captain W. Kirkwood and Margery Jean Cunningham, were described by Mr. L. C. Badham, who prosecuted, as responsible employees of an important shipping firm.

They had, it was stated, been suspended from their employment.

The charge was that they had communicated information which might have been useful to an enemy.

Also charged were Captain Kirkwood's wife, Kate Kirkwood, and Mrs. Jessie Irene Ryan (a friend of Mrs. Kirkwood). None of the defendants appeared in court.

All were ordered to enter into recognisances to observe the National Security Regulations. Miss Cunningham, in addition, was fined £10.

Mr. L. C. Badham said that Captain Kirkwood had revealed the time of the arrival of a liner to his wife, who had spoken about it to Mrs. Ryan. The latter in turn had mentioned the matter at a Red Cross meeting.

"Captain Kirkwood said the only reason why he has told his wife was because she had been told that the liner had been sunk," Mr. Badham added.

"Women Can Talk"

"Their son," said counsel, "is an engineer aboard the ship. Mrs. Kirkwood told Mrs. Ryan that the rumour of the ship having been sunk was false; Mrs. Ryan told people at a Red Cross meeting that she knew the ship was arriving in Sydney."

"If a person gives information at a Red Cross meeting there is no check, knowing well how women gossip. I can assure your Worship that women can talk and talk and talk."

Mr. A. R. Taylor, for the defendants, said that the prosecutions were wicked in view of the circumstances. Kirkwood, he said, was not responsible for what his wife had told Mrs. Ryan.

Mr. Hardwick: "We all of us don't always measure our words. If I had been in Kirkwood's position I would have said exactly what he had said. That would have been without any desire to defeat the regulations."

Told Friend's Son

In the other case, Mr. Badham said that Miss Cunningham had given the date of another liner's arrival to a youth named Crofts, whose mother was her friend.

Crofts, who was now in the military, had gone to Bradley's Head to see the vessel arrive, and had been questioned by an officer from the military police section.

Mr. Taylor said that prior to Miss Cunningham having revealed the information, there had been Press notices that the liner was coming to Sydney.

Nazis Made Him Fight For Us

A young six-foot-two Hungarian has just joined the Royal Air Force and is now training as a flight mechanic at a station in the north-west of England.

As a student in his own country, he was a good fencer. The Austrian Nazis, resenting his skill, forced many duels upon him. But in the true Nazi fashion they made the young Hungarian fight with the heavy German sword with which he was at a great disadvantage. The true Magyar fencing sword is a light foil, and fencing with this "weapon" is a matter of skill and not the bloody brutality favoured by the German youth.

His body bears many marks of the savage fights he was compelled to engage in. Nevertheless at least seven of his self-elected adversaries received their wounds too.

Early in 1930, foreseeing the Nazi plan to overrun Hungary, he made his way to England. Now in return for the hospitality which he has enjoyed here, and in the hope of being able to fight the Nazis on more equal terms, he is in the Air Force.

His dearest wish was to become an air gunner. But his build makes this difficult, so instead he hopes that he will be able to become a fighter pilot. Then, seated behind the battery of guns in a Spitfire or Hurricane or one of the yet deadlier fighters of the R.A.F., he will even the score with the persecutors of his people.

Since he has been in England he has learned to speak excellent English, and he has a high regard for his British colleagues—of the R.A.F. "They are a great crowd," he said. Two of his comrades at the training school, who in civil life were Welsh coal miners, insisted on sewing onto his shoulder the initials "V.R." "You are a real volunteer," he said. And today he proudly wears the emblem of the Volunteer Reserve of the Royal Air Force.

'Malayan Book' In Australia

SEVEN hundred travellers from the East have signed "The Malayan Book," a visitor's book kept by a young barmaid at the Hotel Australia.

Begun just a year ago, it has become famous among men on leave from the East as a friendship, information, and even matrimonial bureau.

"The book has been responsible for five marriages and several engagements," said the attractive young blonde who began it.

"It has relieved the loneliness of some of the young chaps who have arrived not knowing a soul, and has renewed many school friendships."

"These men never forget me, and I have had invitations to their celebration parties, and to their marriages."

"Scores of these men have told me that all they heard about Sydney was that there was a 'Malayan visitors' book' at the Hotel Australia and that through me they could contact other men from the East."

Mine Fuel For Nazi Tanks

SO great is Germany's need for oil to feed its tanks and planes that France's wines have been requisitioned to make power alcohol, says an Australian report from London.

Germany is exploring every avenue in conquered Europe for oil. Albanian production has been intensified and Rumania is being urged to speed-up boring on old fields and to develop new wells.

Prospecting is in progress also in Hungary, Croatia, Greece, Slovakia, Poland and Bulgaria.

American machinery is needed, however, to exploit new sources.

In the synthetic field, Germany is erecting a new lignite plant and is utilizing more methane gas, wood spirit and barley alcohol.

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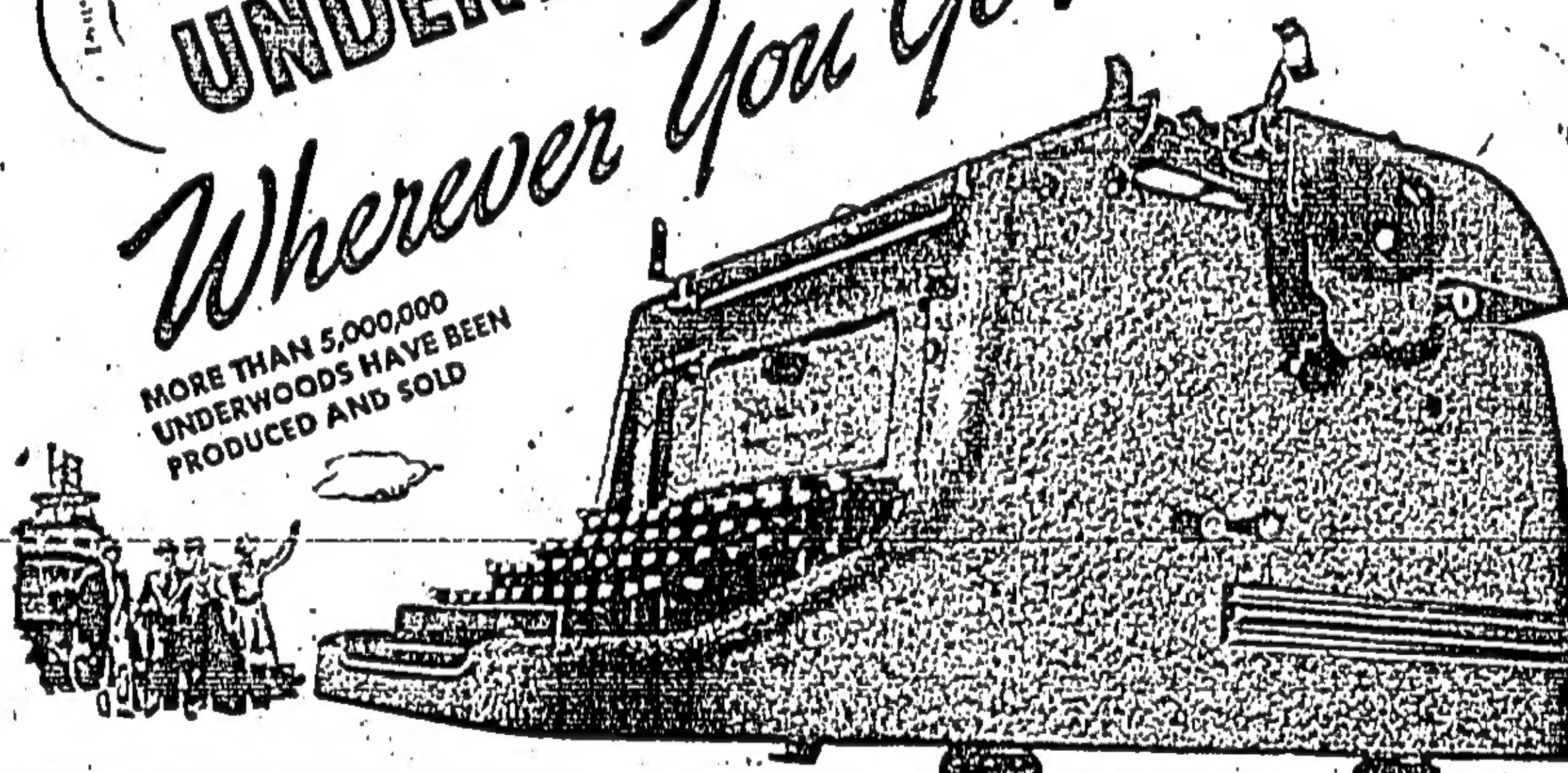
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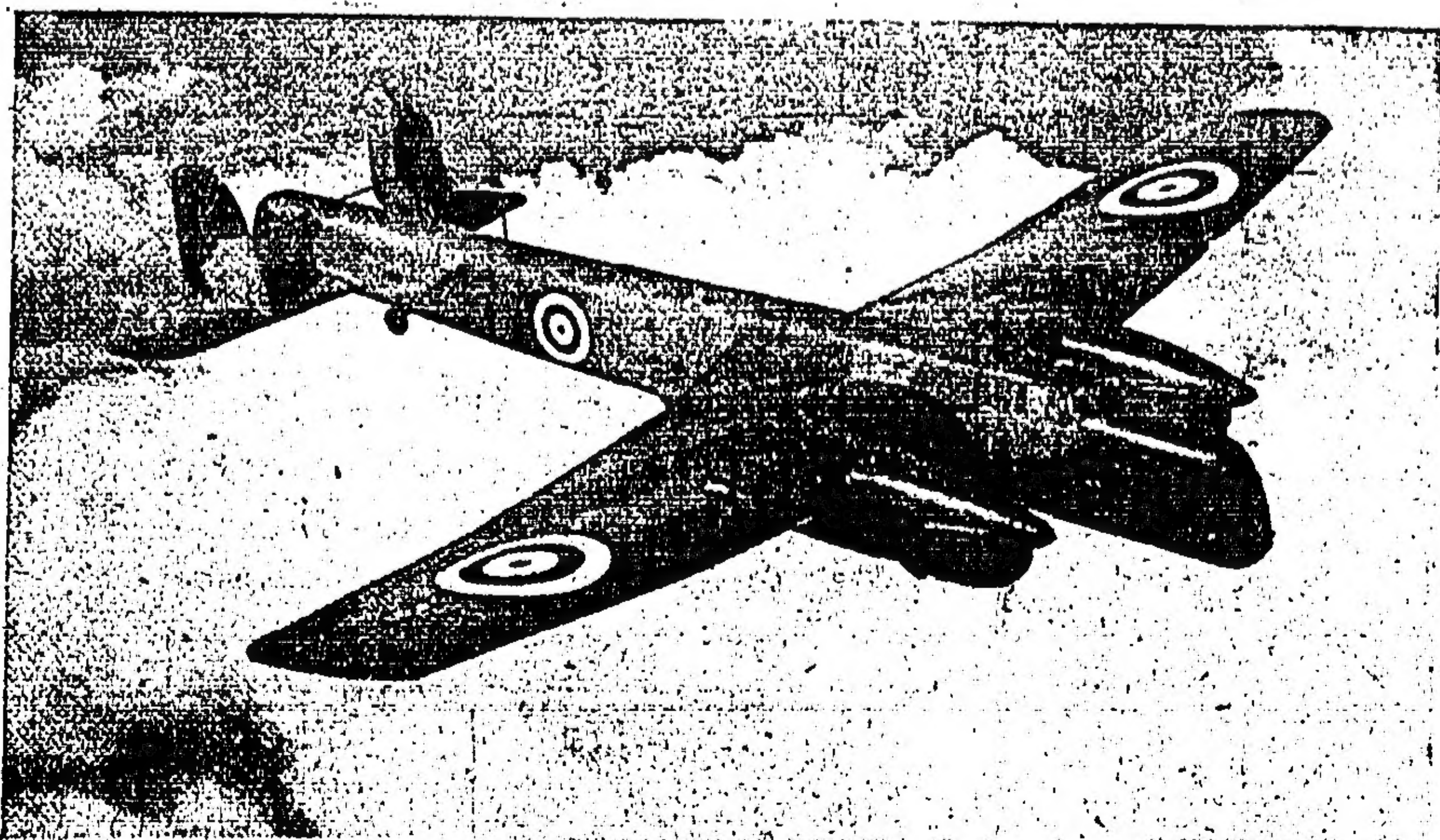
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NEW SOVIET COUNTER-ATTACK DEVELOPING: CONTINUOUS FIGHTING

LONDON, July 30 (REUTER).—THE PRESENT RUSSIAN COUNTER-ATTACKS MIGHT BE THE START OF LARGER ONES THOUGH EVIDENCE IN LONDON OF A MAJOR RUSSIAN COUNTER-OFFENSIVE IS LACKING. EVERYTHING DEPENDS ON THE MATERIAL, EQUIPMENT AND THE NUMBER OF MEN AVAILABLE.

AIR ATTACK ON U. S. GUNBOAT

Serious Washington Reaction
Special to the "Telegraph"

WASHINGTON, July 30 (UP).—The United States Government has made formal representations to the Japanese Government over the bombing of the American gunboat Tutuila at Chungking.

SECRET SOVIET WEAPON

Gives Fine Results

MOSCOW, July 30 (REUTER).—The existence of a Soviet secret weapon was revealed today with the announcement that M. Stalin had received its inventor, M. Kostikov, and had expressed high praise of the new weapon.

The weapon has taken M. Kostikov and a group of engineers working under him three years to develop, says "Pravda," announcing the success of the research. Without giving details "Pravda" says this: "The new weapon has displayed excellent qualities in war conditions. When M. Stalin received M. Kostikov, he not only highly praised the new weapon but gave him new tasks and valuable advice for his future work."

Iceland Move Aids Britain

SPECIAL TO THE "TELEGRAPH"
WASHINGTON, July 30 (UP).—Chairman Walter F. George of the Senate Foreign Relations Committee said today that the United States occupation of Iceland is helping Britain to get "the upper hand" in the Atlantic. "Although there are still shipping losses, they are constantly decreasing," he said. Senator George estimated that Germany would be occupied with Russia for "six weeks more at least."

Mr Hopkins Paying A Visit to Moscow

SPECIAL TO THE "TELEGRAPH"
LONDON, July 30 (UP).—Moscow radio announced that M. Stalin and M. Molotov conferred with the United States Ambassador Mr Laurence Steinhardt and Mr Harry Hopkins today.

Expedite War Materials
WASHINGTON, July 30 (UP).—The Under-Secretary of State, Mr Sumner Welles today stated that Mr Harry Hopkins, Chief Co-ordinator of the Lend and Lease programme went to Moscow on the direct request of President Roosevelt in order to expedite the needed war materials to the Soviet Union. He asserted that Mr Hopkins arrived at Moscow at 8.30 a.m. yesterday and immediately conferred with Russian officials regarding war materials, which the United States can deliver. The President sent Mr Hopkins to Moscow because he is highly informed

Mr Sumner Welles, the Under-Secretary of State, announced the action to the press after a conference with the Japanese Ambassador, Admiral Nomura who called at the State Department.

Mr Welles refused to describe the representations as a "protest" but they are interpreted as indicating that the United States viewed the attack on the American flag seriously. Mr Welles asserted that the Government was advised this morning that a fleet of 20 Japanese bombers dropped bombs near the Tutuila and the United States Embassy at Chungking, but added that for the present he did not wish to make any comment except to call attention to the fact that both properties are on the opposite bank of the river from Chungking proper.

Damage Described

WASHINGTON, July 30 (REUTER).—The Navy Department announced today that the United States gunboat "Tutuila" had been damaged by Japanese bombs during a Chungking air raid. No casualties were caused. The spokesman said that the raider launched several bombs over the gunboat and slightly damaged the stern super-structure, some equipment and shattered the "Tutuila's" small outboard motorboat.

The spokesman believed that the damage was incidental to the general raid, although the "Tutuila" was anchored in a so-called safety area across the Yangtze river from Chungking.

The United States Government has strongly protested to Japan.

Peru And Ecuador

WASHINGTON, July 30 (REUTER).—Mr Sumner Welles, Acting Secretary of State, announced today that cessation of hostilities between Peru and Ecuador might be expected in the immediate future. Indications this morning gave hope of a prompt solution of the dispute. It will be remembered that fighting has continued on the Peru-Ecuador frontier since the armistice was announced last Saturday.

No Official Comment

The White House refused to comment on Mr Hopkins' visit to Moscow, but high officials stated that it was possibly aimed at providing the President with the latest information rather than indicating any new developments in the Lend and Lease programme. The trip is not surprising in view of the fact that Mr Hopkins is "Roosevelt's eyes and ears in Europe," and it will also boost the Soviet morale because Mr Hopkins is President Roosevelt's closest aide.

There is still intense fighting in the Pskov, Smolensk and Kiev areas. The Russians have launched strong counter-attacks, particularly in the Smolensk sector.

The Germans have made no progress anywhere apart perhaps from a very slight advance south of Kiev.

SOVIET COMMUNIQUE

MOSCOW, July 30 (REUTER).—The following communique was issued by the Soviet Information Bureau this evening:

Our troops continued fighting the enemy in Novorzhev, Nevel and especially stubbornly in the Smolensk and Zhitomir directions.

In other directions and sectors of the front, no important engagements took place.

Our air force, in close co-operation with land troops, continued to deal blows to enemy tanks and infantry troops and to enemy aircraft on aerodromes. They were bombed as was also Ploesti and Sulin where large fires broke out as the result of the bombing.

Red Air Force

On July 29, our air force, according to incomplete data, destroyed nine German planes. We lost five planes.

German troops operating in the Smolensk direction, sustained heavy losses in men and equipment. A few days ago, Red Army units completely smashed a motorised infantry regiment of storm-troopers of "Great Germany" which belonged to a division of special detachments. In the fighting with a Red Army regiment, the storm-troopers lost over 2,000 men and officers, killed and wounded, and several hundred prisoners.

Death For Inefficient Fire Watchers

MOSCOW, July 30 (REUTER).

Soviet determination to combat all Nazi attacks is further evidenced by drastic punishment of slackness in fire-fighting in Moscow.

Three high officials of the Moscow Car Parts Supply Trust and the responsible fire-warden of the Trust have been sentenced to death for inadequate provision of fire-fighting equipment and general slackness in precautions.

The Inventory Manager received a sentence of ten years' imprisonment. The case was judged by a military tribunal and the accused were charged with deliberate sabotage and counter-revolutionary activity owing to a fire on the night of July 14 on the Trust's premises, causing damage of 3,500,000 roubles. The fire lit up one quarter of the city nullifying the black-out.

LATEST

See Back Page For Further Late News

Strong R.A.F. Pressure In Mid. East

42 Enemy Planes Destroyed

CAIRO, July 30 (REUTER).—A German dive-bombing attack on British shipping off the coast of Crete, North Africa, on Tuesday was driven off by R.A.F. fighters which shot down six enemy planes, according to an R.A.F. Middle East communique.

A strong formation of Junkers 87's, escorted by Messerschmitts, made the attack. Four bombers and two fighters were brought down. Monday's raids on aerodromes in Sicily were more successful than at first thought. Both at Catania and Bizzozzi, the number of badly damaged aircraft is greater than originally reported and the number of planes confirmed to have been destroyed during the sweep has risen to 30 with the knowledge that six not four, fighters were destroyed at Catania.

The communique also reports the dropping of some ten tons of bombs on the quay and shipping at Benghazi during the raid on Monday night by R.A.F. heavy bombers. Two R.A.F. planes are missing from the latest operations.

Mine Explosion

SPECIAL TO THE "TELEGRAPH"
WAKEFIELD, Yorkshire, July 30 (UP).—Twenty-two miners were killed in an explosion at the Crigglestone Colliery last night. Sixteen bodies were brought to the surface today and rescuers are still digging for the other six.

Raid On Nazi Shipping

The R.A.F.'s daylight offensive against enemy shipping is being carried out relentlessly. Here is an artist's impression of a Bristol Beaufort destroying a Nazi supply ship off the Norwegian coast. The success of this attack on a German convoy has been officially reported.



JAPANESE TRYING TO DRAW THAILAND INTO NEW ORBIT

BANGKOK, July 30 (REUTER).—While authoritative circles deny that Japan has offered Cambodia and Laos as *quid pro quo* if Thailand will join the "New Order," well-informed observers believe that it is only a question of time before Japan sounds Thailand on proposals of some sort.

They think that it is quite probable that Japan will shortly offer the world-famous Angkor Wat and Laos in Indo-China in the belief that Thailand will be very glad to have the former for sentimental reasons and the latter on internal political grounds.

The offer might be subject to two important conditions—firstly, Japan to have a virtual monopoly of Thailand's rice, tin and rubber exports; secondly, temporary facilities for Japan to use naval and air bases in Thailand.

Observers maintain that whether Thailand will seriously consider such a conditional offer when it comes is another question altogether though it will largely depend on the attitude of Britain and America.

They are sure that Japan knows better than to assume that the walk-over at Vichy can be repeated at Bangkok despite the fact that Japanese forces are now poised on Thailand's eastern borders.

Counter Blockade

According to the same observers, those at present guiding Thailand's destinies are very close to following every facet of the Far Eastern crisis and the latest British and American reactions to it. They are fully alive to the fact that Britain and America would consider the above-mentioned economic condition, as active assistance to any Japanese counter-blockade and the strategic condition abandonment of Thailand's neutrality. Even if Thailand is prepared to discuss a modified form of economic condition, she cannot easily be persuaded to commit herself on the strategic condition.

It is also equally probable that Japan will immediately ask Thailand to recognise the Manchukuo and Nanking regimes. This will be a feather in the Japanese wing and will lead to the backing of other Powers to resist pressure.

No Pressure

Thailand has met with no pressure, economic or military, from any Power and has no anxiety whatever about being the object of military aggression by any foreign country, says a TURN to Back Page, Column 5

Tobruk Garrison Sortie

CAIRO, July 30 (REUTER).—Tobruk garrison patrols were very active on Monday night. One routed a large party of Italians over two miles from the British lines.

This news is given in a British G.H.Q. communique which states: "During the night of July 28-29, a strong fighting patrol operating from the eastern sector of Tobruk defences attacked and put to flight a large party of Italians occupying an isolated defended locality over two miles distant from our lines. The enemy sustained many casualties and left one gun and 20 rifles in our hands."

"Although other patrols operating southward penetrated deep into enemy positions, they failed to make contact."

"In the frontier area, one of our mechanised patrols succeeded in destroying considerable stocks of aviation spirit and oil on a hostile landing ground."

"Elsewhere in the frontier area, aggressive activity by our patrols has continued."

Marines At Malta

Have Situation Well In Hand

LONDON, July 30 (REUTER).

The break-up of the Italian "mystery boat" attack on Valetta harbour (Malta) is the subject of a telegram of congratulations from the Chief of the British Imperial General Staff Sir John Dill, to the Commander-in-Chief of Malta, Lieut-General Sir William Dobbie.

General Dill states: "Please convey my congratulations to all ranks of the Royal Marine artillery manning the fixed defences on their great success in breaking up a determined enemy sea-borne attack on the grand harbour. The action of these gunners has excited universal admiration here in the United Kingdom. The skill and determination shown by them will act as a strong deterrent to future enemy attacks by sea."

Signor Gayda On American Belligerency

Axis "Right" To Attack U.S. Warships

SPECIAL TO THE "TELEGRAPH"

ROME, July 30 (UP).—Signor Virginio Gayda, writing in the "Giornale d'Italia" declared that American warships should be considered as enemy belligerents, for which reason Axis ships should fire at them. "Colonel Knox's statement that United States destroyers dropped depth bombs because it believed that an Axis submarine was nearby creates a precedent for Axis ships which justifies any eventual attack against American ships."

"Since it has been demonstrated that an American ship considers itself authorised to attack an Axis ship, merely because it suspects the latter might attack, then on Axis ship has the right to consider an American warship as an enemy belligerent and act accordingly," Signor Gayda concluded.

London Suspects Japanese Designs On Thailand

SPECIAL TO THE "TELEGRAPH"

LONDON, July 30 (UP).—Despite Bangkok denials of the report that Japan has demanded that Thailand join the "New Order," well-informed diplomatic circles here believe that Japan's next move will be aimed at obtaining a foothold in Thailand.

Such a step, if successful, would not only give the Japanese further bases from which to threaten China's Burma Road lifeline, but also place Japan considerably nearer the Burmese oilfields. The diplomats stated that Japan began her campaign with hints and complaints against the Thai government aimed at securing political and economic concessions similar to those which preceded the Japanese demands leading to the Vichy agreement. As one phase of this campaign, they pointed to the radio allegations that Thailand was threatening to join the Axis.

CLASSIFIED ADVERTISEMENTS

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for 3 days prepaid

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THE HONGKONG NATURALIST.
Vol. 10 nos. 3 and 4. Price \$4.
(postage extra). Now on sale at
South China Morning Post Ltd.

NOTICE

DEFENCE REGULATIONS 1940

The following rules will be charged for mailing single copies of the following newspapers abroad:—
South China Morning Post
China and Macao
10 cents per copy
British Empire and Foreign
25 cents per copy
The Hongkong Telegraph
China and Macao
10 cents per copy
British and Foreign
20 cents per copy
25 cents Saturdays.

BRITISH WAR ORGANISATION FUND

Help Bomb Civilians in Britain

Old clothes of all descriptions are badly needed for Men, Women and Children in the Bombed Areas in Britain. Such gifts will be received by the B. W. O. F., c/o Government House, during office hours, Mondays to Fridays from 9.30 a.m. to 4 p.m., allowing for Lunch Interval and Saturdays from 9.30 a.m. until 1 p.m.

The Hongkong Telegraph
Eleventh Annual
Amateur Photographic
Competition
June—September, 1941.
Two Silver Trophies Awarded
by ILLFORD LTD.
For the best and second-best entries.

Three Silver Trophies Awarded
by EASTMAN KODAK CO.
First Prizes in each of the
three Sections.

\$250 CASH PRIZES \$250

SECTION ONE
Interior scenes. Table Top and Still
Life Studies.
(Excluding portraiture, plants and
and flowers).

1st KODAK SILVER TROPHY
2nd \$40. 3rd \$30. 4th \$10

SECTION TWO
Portraiture.
1st KODAK SILVER TROPHY
2nd \$40. 3rd \$30. 4th \$10

SECTION THREE
Plants and Flowers.
1st KODAK SILVER TROPHY
2nd \$50. 3rd \$30. 4th \$10

RULES.

The following Rules will govern the
Competition:

- 1.—The Competition is open to all
photographers.
- 2.—The entries awarded the Illford
Trophies for the best and second-
best pictures in the Competition,
will not be entitled to any other
prizes.
- 3.—The prizes will be awarded to the
competitors sending in what are
adjudged to be the best photo-
graphs in each Section. Each
entry must be accompanied by a
form, which will be published
during the period of the Com-
petition, and which must be
pasted on back of entry.
- 4.—The right to publish any or all
of the entries is reserved to the
Hongkong Telegraph.
- 5.—All photographs entered must
have been taken in the Colony
of Hongkong, during the week
ending at 6 a.m. last Saturday
there. The entries must be
submitted by the following date:
No responsibility will be accepted
for non-delivery of, loss of, or
damage to entries.
- 6.—All entries, be either black
and white or colour, and must
be mounted. Coloured photo-
graphs submitted in sepia tones
should be accompanied by a
smaller print in black and white.
- 7.—No picture to entered in more
than one Section.
- 8.—Mounts to be only white or cream,
must be of one of the following
sizes—10x12, 10x20.
- 9.—No correspondence will be entered
into in connection with the Com-
petition.
- 10.—Members of the Staffs of the
Hongkong Telegraph and the
South China Morning Post are not
permitted to compete.
- 11.—The decision of the Judges shall
be final.
- 12.—At the conclusion of the Com-
petition, entries will be returned
to competitors on application at
the Telegraph office within seven
days.
- 13.—The use of aliases is strictly
forbidden.

ENTRY FORM

NAME
SECTION
ADDRESS

Please use block letters and paste
one of these forms on back
of each entry.

NEW ADVERTISEMENTS.

BANK HOLIDAY

In accordance with Government
Ordinance, The Exchange Banks
will be closed for the transaction
of Public Business on Monday,
the 4th August, 1941. (The first
Monday in August).
Hongkong, 30th July, 1941.

G. R.

PARTICULARS & CONDITIONS

of the Sale by Public Auction
to be held on Tuesday, the 5th
day of August, 1941, at 3 p.m.,
at the Offices of the Public
Works Department, by Order of
His Excellency the Governor of
one Lot of Crown Land at
Cheung Sha Wan, in the Colony
of Hong Kong, for a term of 75
years, commencing from 1st
July, 1898, with the option of
renewal at a Crown Rent to be
fixed by the Surveyor of His
Majesty the KING, for one fur-
ther term of 24 years less the
last three days thereof.

Intending bidders are advised
that immediately after the dis-
posal of the lot the Purchaser (if
not the applicant) will be required
to deposit with an authorised
officer who will be present at the
sale, the sum of two hundred
dollars, (\$200) in cash. This sum
will be refunded on payment of
the Purchase price.

PARTICULARS OF THE LOT.

| No. of Lots | Locality | Boundary Measurements | Contents in Feet | Area in Acres | Approx. Rental | Upset Price |
|-------------|-------------------------------------|--|----------------------|-----------------|----------------|-------------|
| 1 | New Kowloon Inland Lot No. 2587. | Between Wing Street and Chung Shing Street and Cheung Sha Wan. | 100 feet by 100 feet | about 21,000 | \$250 | \$12,000 |

The purchaser of the lot will be
required to pay to the auctioneer
in cash the sum of \$1,200.00
(being 10% of the upset price)
immediately after the fall of the
hammer, the balance of the
premium being paid in accordance
with the Conditions of Sale.

BOMBER FUND DONATIONS

Acknowledgments

Two welcome monthly subscriptions,
and another of the frequent donations
through Mrs. Hoang, saved a blank day
for the Bomber Fund yesterday. The
total of the Fund now stands at \$2,430.
\$304.84. Yesterday's donations were as
follows:
Misses (monthly donation) \$10
Mr. Kung Sun, J. (monthly dona-
tion) 10
Mrs. Hoang 1

SALVATION ARMY

The Salvation Army Headquarters
gratefully acknowledge receipt of "Bowl
of Rice Campaign" tickets from the fol-
lowing:
Collected by Mrs. Violet Chan, 59, col-
lected by Mrs. M. W. Kwan, 71; British-
American Tobacco Co. (China) Ltd.;
Hongkong & Shanghai Banking Cor-
poration; Mr. D. O. Silver; Mr. P. H.
Suckling; Mrs. William Tillinghast Stan-
ton.

BLIND GIRLS' HOME

The S. C. M. Post has received the
following donation to the Ebenezer Blind
Girls' Home, "In memory of my beloved
daughter Ruby, called home July 31, 1933
—Mum" \$5.

DONATIONS WAITING

Donations for the following Organisa-
tions await collection at the office of the
S. C. M. Post: Associação Portuguesa de
Socorro; Miaoan Fund; B.W.O.F.;
Emergency Refugee Council; New Terri-
tories Relief Association; Chinese
Refugee, B.F.R.D.C.; Blind Girls' Home.

In the Colony of Hongkong
including the Island, Kowloon, and
New Territories, during the week
ending at 6 a.m. last Saturday there
were altogether 91 traffic accidents,
as the result of which four persons
were killed and 25 were injured.

St. Dunstan's Needs Your Help

"... for the curtain of life-
long darkness has fallen;
but there also is hope, for
they are learning to be
blind, and soon will go out
into the world useful, con-
fident, and happy citizens."

(Sir Ian Fraser—Chairman
of St. Dunstan's.)

Send your donation to
St. Dunstan's Hon. Treasurer,
British War Organisation Fund,
c/o Hongkong & Shanghai
Banking Corporation.

RADIO

ZBW, 355 metres (845 k.c.) and 3145
metres (9,520 kilo-cycles)

Messages to Families In Australia

Broadcast by ZBW on a Frequency
of 845 k.c. and on Short Wave from
1-2.15 and 8.30-11.15 p.m. on 8.52
m.c.s. per second.

2.15 A Short Service of Inter-
cession.

2.30 Clapham and Dwyer in
Variety.

1.0 Local Time Signal and Pro-
gramme Summary.

1.02 Harry Roy's Tiger Ragamuf-
fins.

1.15 Sidney Torch at the Organ.

1.30 Reuter and Rugby Press and
Announcements.

1.45 A Mozart Programme.

Serenade in C Minor (C. Moll) K.
388. Arthur Fielder's Sinfonietta;
O. Loveliness Beyond Compare;
The Magic Flute; David Lloyd
(Tenor) with Sadler's Wells Orchestra-
Fantasia in C Minor (C. Moll)
K. 390. Edwin Fischer (Piano).

2.15 Close Down.

6.0 Indian Programme.

6.45 Closing Local Stock Quota-
tions.

6.47 Half An Hour of Bill Billy
Music.

7.17 Piano Duet by Moreton and
Kaye.

7.30 "Hills from the Shows."

"Snow White and the Seven
Dwarfs" (Walt Disney film)....
Chorus and Orchestra directed by
Joy Wilbur. Singing: Parade;
Waiting in The Clouds (Robert and
others); Deanna Durbin v. Charles
Previn; Orch.; "Andy Hardy Meets
Debutante"; "I'm Nobody's Baby";
Quilstep; "Oscar Rabin and his
Band"; "Down Argentine Way"—Two
Dreams Met (Gordon—Warren)....
Kenny Baker with orchestra; "Irene"
—Alice Blue Gown—Waltz (Mc-
Carthy—Tierney).... "The Road to
Singapore"—Sweet Potato Piper
(Burke—Monaco); "Typhoon"—Palm
of Paradise (Loesser—Hollander)....
Dorothy Lamour and orchestra;
"Rhythm On The River"—Only For
Ever (Burke—Monaco); Al Bowly
and Jimmy Messing News.

8.15 London—War Commentary.

8.25 London—Listening Post.

Examination of Points in Daily
German Propaganda.

8.30 Programme Summary.

8.32 Fritz Kreisler (Violin) and
the London Symphony Orchestra
(Jota De Falla); Spanish Serenade
(Giazounov arr. Kreisler); Fritz
Kreisler with piano; Persian Dances
(Moussorgsky arr. Rimsky-
Korsakov).... London Symphony Or-
chestra cond. by Albert Coates;
Dancing Doll (Poldini—Kreisler)....
Fritz Kreisler with piano; Triumphal
March (From "Carnegie" Op. 35—
Elgar).... London Symphony Or-
chestra cond. by L. Collingwood
Liebesleid (Love's Sorrow); Liebes-
freud (Love's Joy).... Fritz Kreisler
with piano.

9.0 Local Time Signal and An-
nouncements.

9.02 Popular English Songs.

Widcombe Fair (Arr. Jacob);
Richard of Taunton Deane (Arr.
Molloy); Stuart Robertson and
Male Chorus with piano; Jock the
Fiddler; The Ballad-Monger; Fair-
ings; Come To The Fair ("Songs of
the Fair").... Percy Fleming Bar-
tlett with orchestra.

9.15 Studio—Broadcast to Eva-
cuated Families in Australia.

9.25 London—News in French (on
Short Wave only).

9.45—Light-Orchestral Selections.

The Clock and the Dresden China
Figures (Ketelbey).... Ferdie Kauf-
man and His Orchestra; The Skaters
—Waltz (Gungl).... Marek Weber
and his Orchestra; Sweet Six
(Young).... Jack Hylton and his Or-
chestra.

10.0 London—The News and
News Commentary.

10.15 New Dance Music and
Variety.

11.0 London—"War Correspond-
ence."

11.15 Close Down.

Poles And Russians Bury Hatchet

BY "REUTER'S" DIPLOMATIC

CORRESPONDENT

LONDON, July 30 (Reuter).—
Russia and Poland have agreed to
bury the hatchet and diplomatic rela-
tions will be resumed forthwith. A
general agreement between the two
countries was signed this afternoon.

Negotiations have been delicate, but
both Governments have shown an
understanding and conciliatory spirit.
The agreement is accompanied by an
exchange of documents between the
Polish and British Governments,
wherein the latter records its
adhesion.

Two principal subjects covered by
the agreement are questions of Polish
prisoners and existing treaties.

General Amnesty

The Soviet Government has im-
mediately ordered a general amnesty
to Poles in Russia with complete
freedom of movement. This decision
will affect some 600,000 civilian pri-
soners now in Soviet hands, as well
as about 100,000 soldiers. It is ex-
pected that large numbers will at once
volunteer for service against the
Germans.

As regards treaties, the Soviet
Government expressly declared that
the treaty concluded with Germany in
1939 to be null and void. This
treaty, among other things, estab-
lished a line of frontiers between Ger-
many and Soviet Russia.

The effect of this happy solution
of the conflict between Poland and
Russia will inspire those Poles still
suffering under the Nazi yoke with
fresh hope and encouragement. It
marks a big step forward towards
post-war collaboration, and it is a
sign of confidence in victory of the
Allies.

A word of tribute must also be
paid to the good offices of the British
Secretary of State which greatly
helped in bringing about the agree-
ment.

Exchange At A Glance

SELLING

| | |
|------------------|---------|
| T.T. London | 1/2 3/4 |
| Demand London | 1/2 3/4 |
| T.T. Shanghai | 1/2 3/4 |
| T.T. Singapore | 1/2 3/4 |
| T.T. Japan | 1/2 3/4 |
| T.T. India | 1/2 3/4 |
| T.T. U.S.A. | 1/2 3/4 |
| T.T. Manila | 1/2 3/4 |
| T.T. Batavia | 1/2 3/4 |
| T.T. Bangkok | 1/2 3/4 |
| T.T. Saigon | 1/2 3/4 |
| T.T. France | 1/2 3/4 |
| T.T. Switzerland | 1/2 3/4 |
| T.T. Australia | 1/2 3/4 |

BUYING

| | |
|---------------------------|----------|
| 4 m/s L/C London | 1/3 1/4 |
| 4 m/s D/P London | 1/3 1/4 |
| 4 m/s L/C U.S.A. | 25 1/4 |
| 4 m/s France | 25 1/4 |
| 30 d/s India | 8 1/4 |
| U.S. Cross rate in London | 4.02 1/2 |
| U.S. Cross rate in N.Y. | ... |

H.K. Stock Market

The following quotations were
issued on the Hongkong Stock Mar-
ket this morning.

BANKS

| | |
|-------------------|----------|
| H.K. Banks | 1,340 s. |
| H.K. Banks | 71 n. |
| H.K. Banks (H.K.) | 8 1/4 n. |
| Chartered Bank | 8 1/4 n. |
| Merchants | 8 1/4 n. |
| Maritime C. | 11 n. |
| East Asia | 75 b. |

INSURANCES

| | |
|-----------------|--------------|
| Douglas | 120 n. |
| Steamboats | 8 1/4 n. |
| Indo-China P. | 80 n. |
| Indo-China D. | 70 n. |
| Shell (Bearers) | 45/10 1/2 n. |
| Waterboats | 65 1/2 n. |

SHIPPING

| | |
|----------------|-----------|
| Wharves | 90 n. |
| Docks | 15 1/2 n. |
| Provident | 5 1/2 n. |
| Shal Dockyards | 27 n. |

DOCKS ETC.

| | |
|------------|----------|
| Kallan s/- | 13/6 n. |
| Rauhs | 8 n. |
| H.K. Mines | 2 cts n. |

LANDS

| | |
|------------------|-----------|
| Hotels | 335 s. |
| Lands | 34 1/2 n. |
| Land & Buildings | 97 1/2 n. |
| Shai Lands Sh. | 17 1/2 n. |
| Humphreys | 7 n. |
| H.K. Realities | 3 1/4 n. |
| Chinese Estates | 101 b. |

UTILITIES

| | |
|----------------------------|-----------|
| Trams | 16 1/2 n. |
| Peak Trams | 17 n. |
| Star Trams | 17 n. |
| Star Ferries | 53 1/2 n. |
| Y. Ferries | 22 n. |
| China Lights (old) | 5 1/2 n. |
| China Lights (new) | 130 n. |
| H.K. Electric (old) x. rts | 22 1/2 n. |
| H.K. Electric (new) | 21 n. |
| H.K. Electric Rts | 1 n. |
| Macao Electric | 16 1/2 n. |
| Sandwich | 12 1/2 n. |
| Telephones (old) | 23 n. |
| Telephones (new) | 8 1/4 n. |

INDUSTRIALS

| | |
|---------------------|----------------|
| Cald: Macp. (Ord.) | Sh. \$...30 n. |
| Cald: Macp. (Pref.) | Sh. \$...25 n. |
| Canton Ice | 11 1/2 n. |
| Cement | 11 1/2 n. |
| H.K. Rops | 8 1/2 n. |

STOCKS

| | |
|------------------|-----------|
| Dairy Farms | 10 b. |
| Watsons | 10 1/2 n. |
| Lane Crawfords | 6 1/2 n. |
| Sinceres | 2 1/2 n. |
| Wing On (H.K.) | 39 n. |
| Wm. Powell, Ltd. | 1 1/2 n. |

COTTON MILLS

| | |
|-----------------|-----------|
| Ewo Sh. | 37 1/2 n. |
| Shai Cotton Sh. | 305 n. |

MISC.

| | |
|--------------------------|-----------|
| H.K. Govt. 4% | 97 1/2 b. |
| H.K. Govt. 3 1/2% (1934) | 94 1/2 b. |
| H.K. Govt. 3 1/2% (1940) | 94 1/2 b. |
| Ch. Govt. 5% 1928 GSBds. | 42 n. |
| Entertainments | 6 1/2 n. |
| Constructions (old) | 1 1/2 n. |
| Constructions (new) | 60 cts n. |
| Vibro. Piling | 7 1/2 n. |
| Marsmans Inv. (Lon.) | 5 1/4 n. |
| Marsmans Inv. (H.K.) | 5 1/4 n. |

Freezing Was Anticipated

Japan Not Surprised

TOKYO, July 30 (Reuter).—"Our
Government is fully prepared to
measure up to any situation that is
developing and likely to develop in
connection with the Anglo-American
combination in the Far East." This
statement was made by Mr.
Takesukue Miyamoto, deputy Pre-
sident of the Planning Board, and
was emphasised in a leading article
in the semi-official "Japan Times"
to-day.

Everything that had happened by
way of economic war had been anti-
cipated, declared Mr. Miyamoto.
Japan had planned its economy for
the latter half of this year, without
counting on supplies from Britain or
the United States.

The programme for material sup-
plies was based on a degree of self-
supply achieved or to be achieved
by combination of Japan, Manchukuo
and China, "together with what
supplements may be obtained from
some countries in the south."

Although Japan was fully prepared
to meet the situation, there was no
doubt as to its gravity, and the
urgency of developing Japan's fight-
ing power on an emergency basis.

Palestine Policy

LONDON, July 30 (Reuter).—
There has been no change of policy
of the British Government with
regard to Palestine, said Mr. Winston
Churchill in the House of Commons
to-day in answer to a question.

Roosevelt Warns Of Inflation Dangers

Special to the "Telegraph"

WASHINGTON, July 30 (UP).—Warning that America's
defence effort is being jeopardised by an inflation threat, Pre-
sident Roosevelt to-day asked Congress to enact price and rent
control legislation, and to bring about the establishment of wage
ceilings by co-operation with labour and industry.

The President's special mes-
sage did not recommend the
actual legal establishment of
maximum wages, admitting that
"there will always be a need for
wage adjustments from time to
time to rectify inequitable situa-
tions."

"But labour as a whole should form
the best labour policy which recog-
nises that wages in defence industries
should not substantially exceed the
prevailing wage rates comparable to
the non-defence industries where war
and labour policies have been main-
tained."

"Already through the efforts of the
National Defence Mediation Board
and the wage stabilisation commit-
tees, wage standards are being estab-
lished, and a measure of wage stabili-
ty is being brought into particular
industries. It is expected that such
activities will be continued, extended
and made increasingly more effec-
tive."

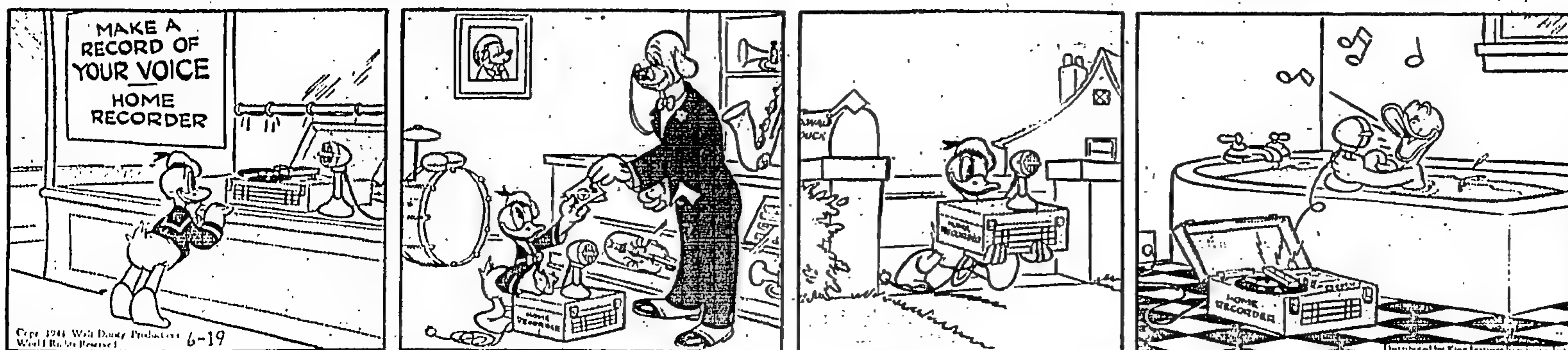
Efforts Threatened

WASHINGTON, July 30 (UP).—
President Roosevelt, in a special
message to-day, declared that "in-
flationary price rises and increases
in the cost of living are to-day
threatening to undermine our de-
fence efforts. I am therefore recom-
mending to Congress the adoption of
measures to deal with this threat."

"The message continued: 'We are
now spending more than \$30,000,000
daily on defence. This rate must in-
crease. In June this year we spend
about \$808,000,000—more than five
times the \$153,000,000 we spend in
June, 1940.'

"The consequences of inflation are
well known. Producers are unable
to determine what their costs will be
and hesitate to enter defence con-
tracts or otherwise commit them-
selves. Speculators anticipating
successive price advances, withhold
commodities from essential military
production. The costs to the Govern-
ment increase, and with them the
public debt. The burden of defence
is thrown haphazardly and in-
equitably on those with a fixed in-
come or those whose bargaining
powers are too weak to secure in-
creases in income commensurate with
the rise in the cost of living; and
over all hovers the spectre of future
deflation and depression."

DONALD DUCK



By Walt Disney

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CONTRACT BRIDGE

When Not to Win a Trick

THE inexperienced bridge player bends every effort toward the winning of tricks, under all circumstances and regardless of their class, colour and degree. To him "a trick is a trick," and he is grateful for all and sundry.

The experienced player has learned to appreciate that certain types of tricks are burdens rather than prizes. This valuable lesson enables him to waive the brilliant sort of defence found in the following deal:

Rubber bridge.
Both sides vulnerable.
South dealer.

♠ Q 10 9 6 4 2
♥ A 8 2
♦ 8 3
♣ 6 2

♠ J 5 3
♥ 10 9 6 3
♦ 7 2
♣ K 9 8 6

♠ A 8
♥ K Q 5 4
♦ K Q 6
♣ A J 10 4

The bidding:
South West North East
1♥ Pass 1♠ Pass
2NT Pass 3♠ Pass
3NT Pass 4♠ Pass

North would have been well advised to persist with his spades to the game level. South's notrump bidding had announced a minimum of two spades and the overwhelming presumption was that these would include a high honour. South also might have chosen a spade rather than a notrump contract—but if he had, we would have no brilliant defence to record.

West made his normal and correct opening of the diamond jack, the top of an interior sequence. Declarer won and, correctly analysing that it would probably be necessary to bring home dummy's spade suit, laid down the ace, intending to follow up with his low spade. If West had automatically followed suit to the ace, the defenders would have retained only an academic interest in

the rest of the play. A second spade lead would clear the suit and with West on lead, declarer's remaining diamond stopper would remain intact. Thus it would be easy for declarer to collect five spade tricks, three hearts, the diamond already home, and at least one club.

West, however, did not play automatically. He recognised the vital need of having a diamond led through declarer's remaining honour, and he saw further that if he were to retain the king as the only spade stopper for his side, it would be very doubtful that East could ever get on lead. There was no assurance that declarer himself did not hold the spade jack as well as the ace, but if this was so, it was an odds-on chance that no line of defence could be successful. West was determined not to give up without a struggle; hence on declarer's spade ace, he deliberately played the king!

The effect of this bold unblocking play is easy to follow. Now there was absolutely no way for declarer to clear dummy's spade suit without giving East the lead and it was equally impossible for declarer to win nine tricks without establishing spades. West's bold but sound manoeuvre had saved the day for the team.

To-morrow's Hand
Rubber bridge.
South dealer.
Both sides vulnerable.

♠ J 10 7 3
♥ A 7
♦ Q 6 4 2
♣ A 9 6

♠ 8 5
♥ K Q 10 9
♦ 5 3
♣ 7 3

♠ A K Q 6 4 2
♥ 10 2
♦ A K
♣ K J 5

How should South play his seven spade contract? Opening lead diamond jack.

WITH A MOBILE CONCERT PARTY

The Muddicombe Mobile Concert Party had its beginning, where many good things began, in the mind of Fanny Tryer.

Fanny's husband was mine-sweeping. Running a house, garden and chicken yard, keeping an old father-in-law and an evacuee family at peace with each other, watching over the welfare of the village, left Fanny with energy still to spare.

Then Fanny's sister, Chloe, bombed out of her flat in London, came to Muddicombe. Chloe was lame, but her mind and her piano-playing fingers moved like lightning.

A couple of R.A.F. men, from the observation post on the hill, came to Fanny's house for a bath.

"I hear they had a grand concert in Smalltown last week," said one of them. "We chaps out here don't see shows like that!"

"Why should not we get up something to amuse the men in the country?" said Fanny to Chloe.

And so it all began.

topical verses, the local back-chat, which gave to every performance its intimate, personal note.

The party's chief difficulty was transport. There had to be careful pooling of cars and petrol. "Props" were reduced to the pierrot caps and ruffs and the funny man's top hat. They played on curious stages, with Army blankets as curtains, the footlights candles in the halves of tobacco tins. There was one occasion when a stage had been prepared of boards laid on the top of barrels. When the performers

A Letter from Everyday England By KATHLEEN CONYNGHAM GREENE

all moved to one end of it the boards tilted, with an unrehearsed comic effect!

A piano was always produced from somewhere.

There was a night when a bomb crater stopped the only road to the aerodrome. One airman carried Chloe over the debris, another carried her crutch.

There were times when the arrival of the concert party coincided with that of Nazi aircraft.

"See what a name you folks have got. . . ! Even Goering can't keep away from your show!"

There was a night when the snow came during a performance on the downs. The cars were stuck, the track to the main road blotted out. Wrapped in the Army blankets that had draped their stage, the "Muddy Mob" spent the night round the stove in the hut that had housed their show.

The Women's Voluntary Services gave the "Muddy Mob", as they called themselves, help and encouragement from the first. They helped in copying song parts, in putting the party in touch with custodians of village halls.

If you had asked Fanny how she got her party together she could not have told you. They just seemed to come. The village grocer turned out to be a wonderful tap-dancer. It only needed a little persuasion on the part of Chloe to make him a singer too. A bank clerk in Smalltown was discovered to have a genius for comic recitation. His wife could sing Victorian ballads "so as to melt your heart". A Voluntary Aid Detachment nurse at the Smalltown hospital had been training for the ballet when the war came. She was only too glad, she said, to have a chance of keeping her toes in practice, and dancing was positively restful after a day in the wards. The Muddicombe station master had a stirring baritone voice. He could bring the house down with a sea-shanty or a plantation song.

"We're not just a comic party," said Fanny "A little of all sorts is our motto."

A roomful of men would sit spellbound on hearing Chloe's violin or her birdlike soprano in a Schubert song.

Fanny was commerce, gay, alert, resourceful; drawing audience and performers together with her quick magnetic sympathy, filling any gap with a story, or with the sudden silly question that set the whole house laughing. Chloe was accompanist. Between them they wrote the

GRIN AND BEAR IT By Lichty



"Otis certainly has grown up these last eventful months—in December he was writing to Santa Claus—now he writes to our M.P."

Crossword Puzzle

By LARS MORRIS

ACROSS
1—Center
2—Kind of poem
3—Whip
4—Spiral
5—African ground-squirrel
6—Wind instrument
7—Astronaut suit
8—Sea animal
9—Those who give temporary
10—Parade of
11—Dorm as
12—Member of zoogeographical trade
13—Woman who plays on stage
14—Religious holiday
15—Funeral hymn
16—Creativity to
17—Large bird
18—Profile near by
19—Hick
20—Palace
21—Ship
22—Heating apparatus
23—More rapid
24—Made of burnt clay
25—No lapped
26—Giftive for
27—Mixed with
28—Out of way
29—Fire
30—Warning device
31—Back of neck

ANSWER TO PREVIOUS PUZZLE
PARADE, SPIRAL, WHIP, CENTER, KIND OF POEM, AFRICAN GROUND-SQUIRREL, WIND INSTRUMENT, ASTRONAUT SUIT, SEA ANIMAL, THOSE WHO GIVE TEMPORARY, PARADE OF, DORM AS, MEMBER OF ZOOGEOGRAPHICAL TRADE, WOMAN WHO PLAYS ON STAGE, RELIGIOUS HOLIDAY, FUNERAL HYMN, CREATIVITY TO, LARGE BIRD, PROFILE NEAR BY, HICK, PALACE, SHIP, HEATING APPARATUS, MORE RAPID, MADE OF BURNT CLAY, NO LAPPED, GIFTIVE FOR, MIXED WITH, OUT OF WAY, FIRE, WARNING DEVICE, BACK OF NECK

DOWN
1—Expense
2—Circum total
3—Unusual

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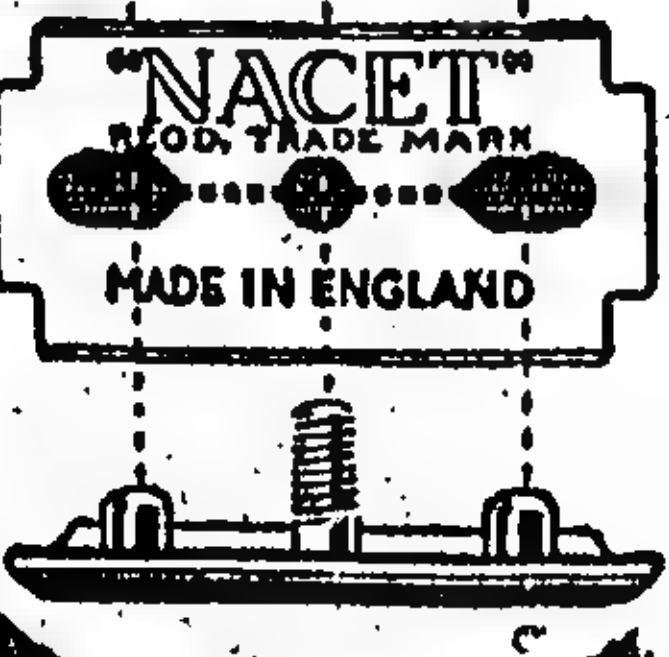
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ACKNOWLEDGMENT

Mr. A. E. Coates and daughters and
Miss L. M. de Souza express
their deep gratitude to all friends
and relatives for their expres-
sions of sympathy, floral tributes
and attendance at the funeral of
the late Mrs. Gladys Coates.
They wish to record their appre-
ciation to the sisters and nurse
of the St. Theresa's Hospital,
also to the doctors and the Rev.
Father for their kindness and
attention.

**The
Hongkong Telegraph**

Thursday, July 31, 1941.

Wynndham St., Hongkong
Telephone: 26615

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arrangement.

RUSSIA'S GREAT FIGHT

NO one will take issue with Mr
Churchill on his weighed words that
we cannot expect Russia or America
to win this war for us, but we are
mightily comforted by the superb
fight that the Red Army and Air
Force is putting up and the courage-
ous stand on our behalf by the United
States which is proving literally to be
the arsenal of democracy.

Turning to reports of the actual
front it is revealing to find the Ger-
mans making false and over-optimis-
tic communiques on the progress of
the invasion of Russia—a strategem
that the Reichswehr have so far
scorned or found unnecessary. Al-
most at the outset they declared that
the Russian air force had been wiped
from the skies yet this same force
is to-day not only giving adequate
support to the armies on all fronts,
but it actually finds the extra margin
to enable persistent bombing of the
Rumanian oil fields. Divisions of the
Red Army have been "annihilated"
only to prove strong and irksome im-
pediments in the rear of the Nazi
army, threatening the isolation of the
invaders' advance forces and hamper-
ing supplies of petrol and munitions
going to the front. Of the Red Fleet
little has been heard but it is doing
something in contesting domination
of the Baltic Sea and will certainly
keep some German naval forces en-
gaged in that area.

Admiral will be given unstint-
ingly to the Red Army which has
met fanatical and suicidal onslaughts
with a phlegm worthy of the greatest
military traditions. In towns which
invading mechanised forces had passed
or surrounded they continue to re-
sist so fiercely that the enemy, halted
in what he thought would be head-
long progress, has complained bitter-
ly of their "stupidity." Hitler has
been silent of late as well he may for
he has thrown uncounted young men
into a fray which had no justification
even before his own people, and no
one knows how many he will bring
back or whether they will return with
victory. Certainly the fall of Moscow
or Leningrad will not decide the
issue.

Hungary and Rumania may be
satisfied with slices of territory which
have already been yielded and may
require further German stiffening.
Finland will almost certainly be satis-
fied with the restoration of the terri-
tories recently wrested from her but
though not the jackals that the
Rumans and the Magyars have proved
to be, they may not feel able to aban-
don their alliance with the enemy.
There are mixed feelings about Fin-
land and that fire is best not kindled

How Sanctions Would Hit the Japanese

A detailed study prepared average Japanese was one-quarter that of the average not actually at war and from the U.S.A. Nor does he think that Tokyo has

indicates that the U.S.A., by has dropped by 46 per cent, 5. The best barometer reached the point of col-
economic sanctions, can and the bottom isn't in of the trouble Tokyo is en-lapse.

sharply reduce aggressive sight. countering in trying to. But from the data he has

Japan's ability to wage war. Since the average Japa-keep her war machine go-gathered—and it must be

The report says Japan is nese was broke to begin ing is her shipbuilding in-regarded as reliable, though

without most of the sinews with, the drop since 1936 dustry, vital because of Mr Hu is a Chinese writing

of war and depends on for-has come not out of luxur as Japan's dependence on for-about Japan, for he is the

eign trade to get them, such as autos and radios, eign trade, and vital as author of previous reports

Unlike her, Axis partner, but out of food. Even the auxiliaries for her fleet, on Japan the accuracy of

Germany, she does not have Japanese Army has found Annual capacity of Japa-which has been proved—it is

either the advanced machine what this means: 40 per nese yards is 800,000 tons possible to see that Japan

industries or scientific cent of the young Japanese (for purposes of compari-may go more totalitarian

techniques to get along called up for military ser-son: about one-third of Bri-still in an effort to ease her

chiefly on ersatz. Most vice have to be rejected. tain's normal peace-time headaches.

Japanese war imports come 3. The Army's huge capacity). Actual output For instance, the catas-

from the U.S.A. and the levies plus industry's en-has been: trophic drop in the real in-

British Empire. comes of the average Japan-ese—how much food, cloth-

“Unless Japan can have continued access to the material resources of the hanced demands for labour 1937 455,000 tons

U.S.A. and the British Em-are stripping Japan's fields 1938 454,000 tons

pire, and of areas within the of the all-important rice Sept., 1938—Aug., 1939 452,000 tons

range of their influence, growers. Tokyo this year Sept., 1939—Aug., 1940 328,000 tons

whether through normal is having to take drastic Other declines in output rise in retail prices since

trade channels, or as a measures to prevent a rice coal, copper, petroleum and what higher. To cope with

special diplomatic conces-shortage, partly as a result railroad rolling stock, this, Tokyo has instituted

sion, she can never hope to of this and partly as a result Though the bulk of Japan's several price control

develop sufficient strength of a drought in Korea, copper and petroleum must schemes, but they have been

even to cope with the 'China Japan's first colony on the produced in the Island Em-markets." The answer—

incident,' let alone to realise mainland of Asia. more rigid price controls.

her grandiose dream of the 4. Employment in Japan pire.

“Greater East Asia Co- is at an all-time high. Un- 6. The decline in ship-

Prosperity Sphere," the employment is almost un-building is significant be-

study declares. known; there is a general cause so many key raw

The report was prepared labour shortage, as well as materials enter into ships.

by T. Y. Hu, director of the an acute shortage of skilled Severe shortages are in-

Chinese Council for Eco- workers. Factories are dicated. Here is a list of

nomie Research in Washing- working at close to capa-some of the more important

ton. It is one of the first city. Two-fifths of Japan's of the raw materials which

detailed pictures of what workers work 12 hours a are imported, and of Japan's

is happening inside the day, and most of the rest 10. customary sources for

poverty-stricken, ambitious This can't be increased; the them:

Island Empire after four Government, as a matter of

years of war with China. fact, found it necessary two

★ out more than 12 hours of and a half years ago to rule

work a day. Japanese the Philippines; oil, the Dutch

labour is working very until recently, the U.S.A.; copper, at least economics got-in-the-way-of

nearly as many hours as tin, Malaya; rubber, Ma-used police power to break

human beings can work. laya; machinery, the U.S.A. the laws of economics.

But still the goods of war the necessities of life do not come from the factories fast enough.

This means that Japan must build new factories

with more modern machin-ery, or improve old ones.

But this is particularly diffi-cult if all access to the

markets of the U.S.A. is cut discussion of conditions in plier is in a position to exert

off. The U.S.A., aside from Japan beyond pointing out effective pressure. — From

1937, the real income of the the USSR, is the only im-the Island Empire's increas-“P. M.” (New York).

I SAW COLOGNE BOMBED

When the British raids first began we were careless and didn't trouble to go down the shelters in the basements of our houses (each basement being joined to the next by a door which we were obliged by law to make). Then, months ago, the raids began to increase and grew more terrible until, on March 10 or 12, there was a raid which lasted from about ten in the evening until three or four in the morning and caused great havoc.

Since then people have been very depressed. We were not permitted to speak of the raids, but sometimes, in shops, when there were no secret police near, you would hear women talking in low voices about the damage done. Though the soldiers are cheerful and believe Germany is winning the war, the people do not know and do not believe the things they are told.

One night after a raid there was a great fire at the works of I. G. Farben, Bayer, which we were able to see across the Rhine. But the next day we heard that all the children of the officials and employees of the company who live at Wies-dorf Leverkusen were assem-bled and told by their teachers that there had been no fire, and they were not to say there had been a fire.

We hear little of damage done to factories because the work-people know well what will hap-pen to them and their families

In Old Cologne, the centre of the city, I myself saw ten build-ings in a row blown away by a British bomb. It was in the protect from punishment.

This is an eye-witness story of the effect of R.A.F. bombing raids on German cities. It is told by a German who lived in from the Burgergesellschaft to the Appellhofplatz, was down. I saw it by leaning over the rope and looking round a wall. I saw nine bodies brought out from premises on the Teuton-burgerstrasse, and afterwards it was said officially that there were only three killed.

I have seen or heard of con-siderable damage in the suburbs when the suspension bridge was of Bayenthal, Klettenborg, Sulz, closed for some days, and when Braunsfeld, Ehrenfeld, Nippes, a time bomb fell in front of the Kalk and Deutz, Central railway station.

We also heard that saboteurs, or an enemy spy, had partly de-stroyed a big anti-aircraft en-campment in a field at Wahn, near Deutz.

COLOGNE is a Catholic city, and there is great anger over the treatment of Catholics, though no one speaks his thoughts. Priests can no longer walk through the streets be-cause they are insulted by chil-dren whom the Nazi Party offi-cials and police encourage and

INDIA BLOCKS CREDITS

BOMBAY, July 30 (Reuter).—The Reserve Bank of India has issued instructions to all banks that the accounts of all persons and firms, resident in China, including Shanghai, or accounts of all firms and companies incorporated in that country or under the control of residents in these territories and operating in India shall be blocked.

Banks have been informed that they may honour obligations under confirmed credits opened on or before July 30, 1941 on behalf of residents in those territories and that they may also accept bills or pay cheques drawn by such persons provided they are presented by resident or in India who became holders for the value on or before July 30, 1941.

Exempted From Order
The following accounts are exempted from the order but funds therein are released for payment within the sterling area only: Central Bank of China, Bank of China, Bank of Communications, the Farmers' Bank of China, the National Government of the Republic of China or any agency of it.

In addition, for the time being exemption also applies to accounts in India of Chinese branches of authorised dealers in foreign exchange.

Private remittances to China are no longer permitted and remittances for commercial purposes must be credited in rupees or sterling to any exempted account or to the blocked account of a resident of China.

Private accounts of Chinese residents in India are not restricted.

MORE BRITISH NEWS, PROMISE

LONDON, July 30 (Reuter).—Mr. Brendan Bracken, the new Minister of Information, was tackled in the House of Commons today on the question of expediting the release of spot news and topical pictures to the United States and British Dominions.

He was asked to take into consideration the fact that the eminent American journalist, Dorothy Thompson, said that more hot news was wanted in America.

He declared that he would do everything in his power to give the maximum amount of news and photographs to the United States and the British Dominions and indeed to any part of the world that would like to have British news.

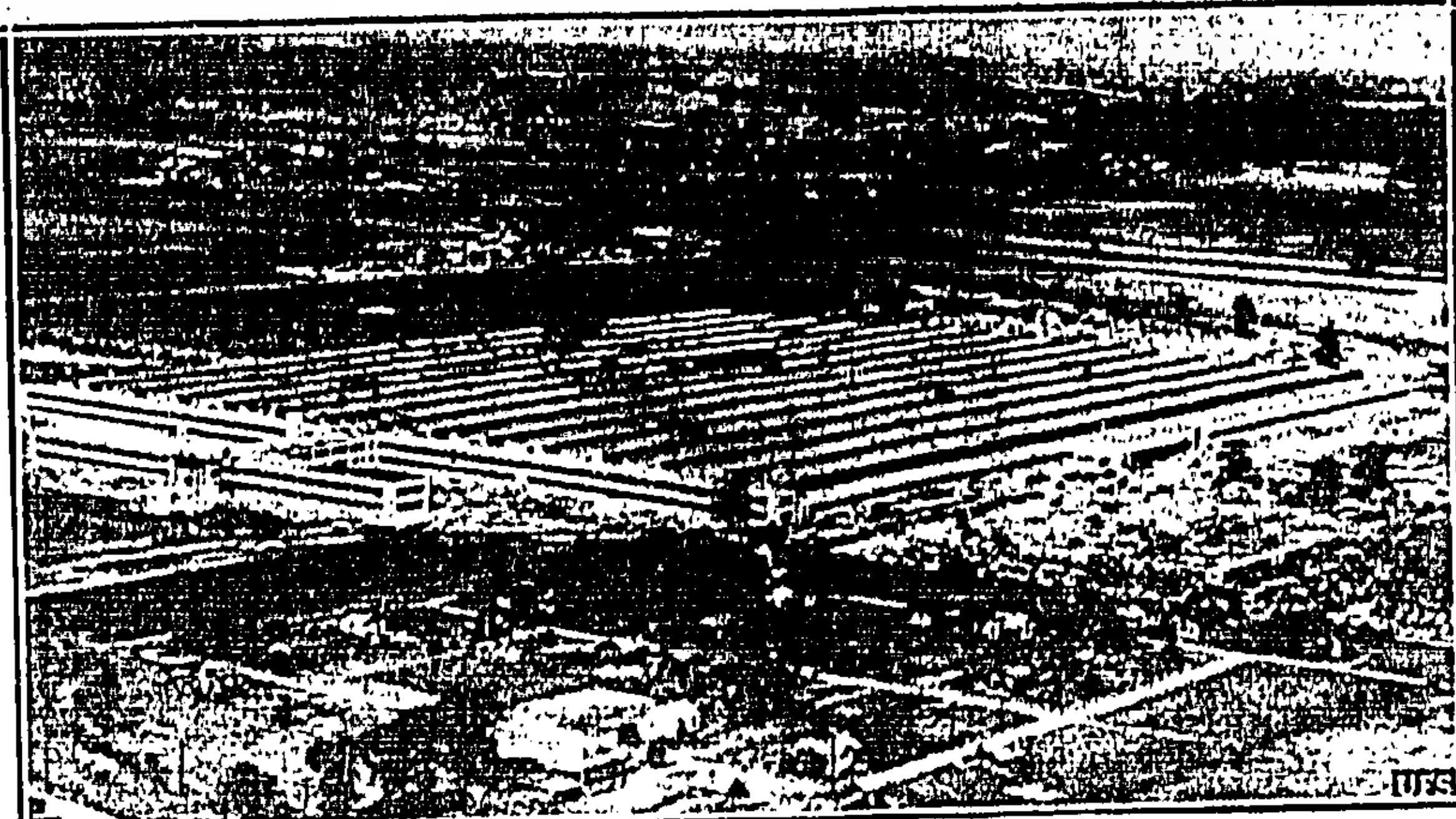
More Ships For The Orient

MANILA, July 30 (UP).—Business officials have received telephonic information from Washington that at least six ships are being assigned to the American President Lines for the Philippine run in an effort to relieve the acute shortage of shipping bottoms.

Labour Camp For Prisoners

LONDON, July 30 (Reuter).—Two thousand Italian war prisoners have arrived in Great Britain for work under the Ministry of Agriculture. They will be employed on ditching, draining land, reclamation and general agricultural work.

Labour camps have been constructed on suitable rural areas.



LARGEST AIR PLANT—America's newest and largest aviation plant, dedicated by Wright Company at Lockland, near Cincinnati, Ohio. Costing \$37,000,000, it comprises 2,120,000 square feet and is largest single-story plant in world. First order is 1,000 plane engines.

Fifth Columnists In Iran & Afghanistan

LONDON, July 30 (Reuter).—"A vast German fifth column" is in Iran and Afghanistan, according to the Eastern Correspondent of the Independent French Agency.

The correspondent says: Great Britain and Russia are at present engaged at Tehran and Kabul in combating the subterranean activities of this fifth column. Utilising these two centres as bases, German agents and saboteurs are infiltrating into the neighbouring territories on the Soviet Caucasian republics, the Republics of Turkmenia and Soviet Turkestan as well as the North-West Frontier of India.

"Accidents which appear to be attributable to sabotage in industrial centres in the Caucasus have led to increased vigilance by the Soviet authorities."

"It is understood that Great Britain is especially concerned with safeguarding the refineries and oil wells of the Anglo-Persian oil Company in southern Iran. There is good reason to believe that German agents are working in close collaboration with White Russian refugees, some of whom have been furnished with German passports. The Soviet and British Ministers have drawn the attention of the Iranian Government to the dangerous activities of the German agents who are trying to enlist the support of Iranian subjects trading in Soviet and British territories."

Strict Neutrality

"It is noted that twice within a period of six weeks, the Afghan Government has made a point of proclaiming its determination to maintain strict neutrality. Nevertheless, certain groups of young Afghans have been won over to Nazi ideas and are playing the game of the local Nazi agents who are conducting propaganda of a somewhat simple and unoriginal character. They emphasise first that the Afghans owe it to themselves to ensure the return of Afghan minorities to their country and second, that a country like Afghanistan should have a powerful air force to ensure its defence."

British News In Central China

Commons Questions

LONDON, July 30 (Reuter).—In the House of Commons today, Sir John Wardlaw-Milne asked Mr. Anthony Eden whether he was aware that the enforced closing down, at the instance of the Japanese authorities, of the only British news agencies in Hankow, namely "Reuters" and "Central China Post" will have the result that large areas of Central China will in future depend for news on Axis sources alone.

In reply, Mr. Eden said that he appreciated the point raised by Sir John and a report had been received for which he had not yet been received. Sir John: "Will Mr. Eden consider carefully whether there are any measures we can take to prevent this stoppage of publication of British news in China?"

Mr. Eden: "I entirely agree. That is why I have asked for this report to see what steps we can take."

General Keitel's Son Killed

LONDON, July 30 (Reuter).—The death of Lieutenant Hans Gorg Keitel, youngest son of Field Marshal Wilhelm Keitel, Chief of the German General Staff, is announced by the German News Agency.

At Keitel who served with an artillery regiment was killed in the fighting on the eastern front.

OTTAWA, July 30 (Reuter).—The Canadian Red Cross is immediately increasing its weekly food parcel shipments for British prisoners of war from 10,000 to 30,000. Each parcel will contain 10 food items.

KUNG ON FREEZING

Allays Fears Of Chinese

CHUNGKING, July 30 (Central News).—Dr. H. H. Kung, Vice President of the Executive Yuan and concurrently Minister of Finance, announced today that there is no reason for apprehension in China over the freezing of Chinese funds in the United States and Great Britain for foreign exchange can be made available to meet the requirements of the Chinese Government and legitimate business needs.

General licenses are being immediately issued to the Chinese Government, the Central Bank of China and other general licenses will follow soon after, Dr. Kung said, adding that every effort is being made to minimize the interference with the normal functioning of the Chinese Government and the interruption of Chinese trade.

Konoye Thinks War Serious

TOKYO, July 30 (Reuter).—"There is no doubt that this war is bringing serious effects to Japan," declared Prince Konoye, Japanese Prime Minister, addressing the 10th plenary session of the National Mobilisation Investigative Commission today.

"Moreover, it is difficult to predict where this conflict in Europe may spread," added Prince Konoye, "view of the rapidly changing world situation everyone in Japan must always be prepared to meet the worst."

"The Government is doing everything within its power to mobilise the country's resources and man-power to meet any situation that may arise in the future."

Prince Konoye urged members of the Commission to study all problems in bringing about the speedy carrying out of all Government mobilisation plans.

RUMOUR DENIED

LONDON, July 30 (Reuter).—It is learned in London that there is no truth in the rumour that 20,000 American soldiers are already in Egypt.

The only American service personnel in Egypt are a few observers who are in connection with considerable deliveries of American equipment now taking place in the Middle East.

Queen Wilhelmina Goes On Tour

LONDON, July 30 (Reuter).—"Should circumstances arise owing to the geographical situation of the Netherlands East Indies, to force a fight upon us, there is no doubt whatsoever that we would, with our Allies, accept that fight," declared Queen Wilhelmina of Holland in a special broadcast to her subjects all over the world to-night.

Adding that she did not forget her people in the western hemisphere to whom the torch of war could bring its horrors, she knew that an appeal to their peoples, the army and the navy to bear the sacrifices would not be invalid.

£10 Legacy To Mr Smith

Ten years ago Mr. Lee Ashby Bolton, a retired iron merchant, was walking slowly up the station steps at Show Hill, Birmingham, carrying a suitcase. Some years before he had injured a hip in a football accident.

Mr. Leslie Arthur Smith saw him limping up the steps and said "Here, let me help you," and carried the suitcase.

Mr. Smith forgot all about it. Mr. Bolton didn't. In his will, published a few weeks ago, he left £10 "to Leslie Arthur Smith for kindness to a cripple."

Tatuta Maru

SAN FRANCISCO, July 30 (Reuter).—Japan's crack N. Y. K. liner Tatuta Maru has been given special permission to discharge her passengers here where she is expected in a few hours.

Fugitive Government Recognised By U. S.

WASHINGTON, July 30 (UP).—The State Department announced today that the United States has recognised the fugitive Czechoslovakian Government, now in London, under the Presidency of Dr. Eduard Benes.

Japanese Strength Calculated

WASHINGTON, July 30 (Reuter).—The Japanese are still heavily outnumbered by the Soviet armies in Eastern Siberia, and the considerable obstacles in any move southward from Indo-China, Government officials told pressmen today.

Speaking on the basis of "detailed information from the Orient" they expressed the belief that Japan is forced by limited land and air power to adopt a waiting opportunist course.

Russian forces in the Far East are estimated to include some 40 divisions despite substantial withdrawals to fight the Germans in the west. Japan is believed to have only about 14 divisions available in Manchuria and Korea.

Air Force
The Japanese air force is estimated at altogether about 3,000 planes, largely out of date models, and the Russian Far Eastern fleet about 2,400 prior to withdrawals to the European front.

The officials think that the bombing of Japan from Vladivostok—a distance of about 750 miles—is possible but difficult.

They gave 60 divisions as the limit Japan could equip, the forces fighting in China and threatening Malaya being included in this total. It is considered that should Japan make any hostile move against the Netherlands East Indies, Britain would promptly come in against her though the Indies are themselves capable of putting up a fair resistance.

De Gaulle Sees Total Win For Allies
DAMASCUS, July 30 (Reuter).—The establishment of a new regime in Syria and Lebanon following the departure of the Vichy authorities has raised a number of political problems.

Various solutions have been suggested in political circles. The relationship between Syria and Lebanon and between these two territories and their Arab neighbours has also to be settled.

It is thought that a congress of politicians from Syria and Lebanon will be held to discuss possible solutions and their conclusions will be laid before the Allied authorities.

Meanwhile the policy of the Allies in Syria was defined by General de Gaulle in a speech to a large gathering of Syrians here. The time had come, he said, to discuss conditions for the sovereignty and independence of Syria and to settle terms for a sincere alliance.

Strategic Reasons
General de Gaulle spoke of the links between real Syria and real France and said that the Allies are forcing the country for strategic reasons to prevent the establishment of a regime that was a form of modern slavery.

Recalling the British Government's statement repudiating all political aims in Syria, General de Gaulle declared that simultaneous action by the Free French and British would strengthen the independence of Syria and Lebanon from the Tigris to the Mediterranean.

General de Gaulle added that the war against the Axis Powers was going in favour of the Allies. Signs of total victory were already appearing on the horizon.

London Suspects Japanese Designs

FROM PAGE ONE

tened with occupation by British naval, military and air forces.

Military and diplomatic observers regard the Japanese acquisition of the Indo-Chinese aerodromes at Siemreap and Kompong, as well as From Penh, as particularly ominous. It is pointed out that Siemreap is on the Thai-Indo-China border and the others are close to it. However, many experts are of the opinion that whether the Japanese intend the next move to be against Thailand or against Singapore, it is likely to take three months to get the Indo-Chinese bases sufficiently prepared with supplies for such action.

It is pointed out that while Camranh Bay is a fine natural harbour, it is a long way from being a modern naval base and the dry-dock facilities of the Saigon base are limited to small vessels such as destroyers.

U. S. TYRES TO COST MORE

SPECIAL TO THE "TELEGRAPH"
AKRON, Ohio, July 30 (UP).—The Goodrich, Goodyear and General Tyre Companies today announced increases in their dealer list prices of tyres and tubes which trade circles reported as meaning a price advance of about five per cent to retail buyers.

The trio announced an immediate increase of 2.4 per cent in the dealer price listings with taxes excluded from the list. The tax hitherto has been included in the overall dealer price.

It is reported that the Firestone Tyre and Rubber Company is contemplating a similar announcement.

It is announced that the action "reflects to a small percentage the increased cost of raw materials—rubber and cotton."



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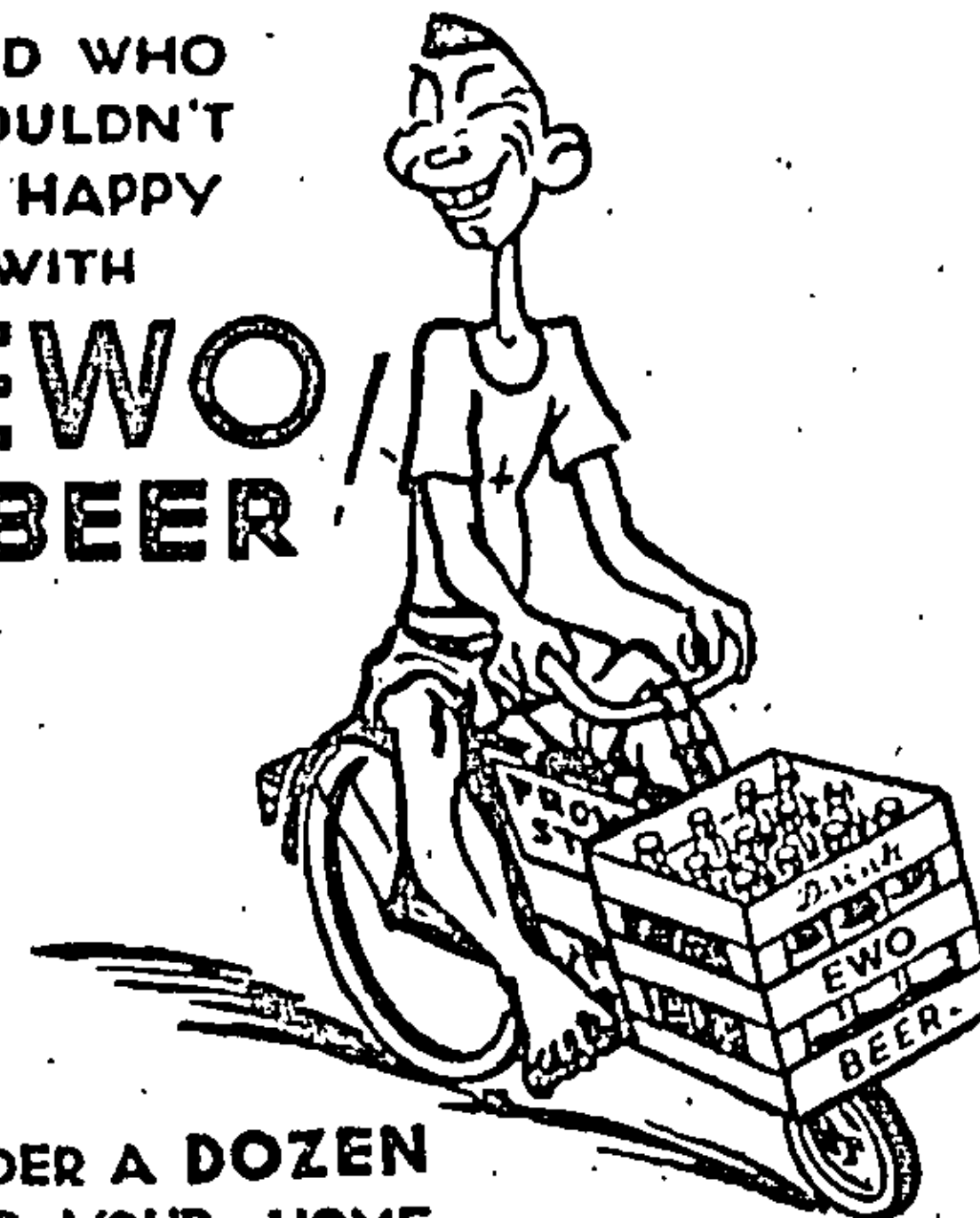
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By Ernie Bushmiller



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ONE OF THE 57

Three Women and Man Bound Over For Troopship Gossip

Gossip regarding the movements of two big troopships led to four persons being bound over at North Sydney court to observe the National Security Regulations.

Two of the defendants, Captain W. Kirkwood and Margery Jean Cunningham, were described by Mr L. C. Badham, who prosecuted, as responsible employees of an important shipping firm.

They had, it was stated, been suspended from their employment.

The charge was that they had communicated information which might have been useful to an enemy.

Also charged were Captain Kirkwood's wife, Kate Kirkwood, and Mrs Jessie Irene Ryan (a friend of Mrs Kirkwood). None of the defendants appeared in court.

All were ordered to enter into recognisances to observe the National Security Regulations. Miss Cunningham, in addition, was fined £10.

Mr L. C. Badham said that Captain Kirkwood had revealed the time of the arrival of a liner to his wife, who had spoken about it to Mrs Ryan. The latter in turn had mentioned the matter at a Red Cross meeting.

"Captain Kirkwood said—the only reason why he has told his wife was because she had been told that the liner had 'been sunk,'" Mr Badham added.

"Women Can Talk"

"Their son," said counsel, "is an engineer aboard the ship. Mrs Kirkwood told Mrs Ryan that the rumour of the ship having been sunk was false; Mrs Ryan told people at a Red Cross meeting that she knew the ship was arriving in Sydney."

"If a person gives information at a Red Cross meeting there is no check, knowing well how women gossip. I can assure your Worshipship that women can talk and talk."

Mr A. R. Taylor, for the defendants, said that the prosecutions were wicked in view of the circumstances. Kirkwood, he said, was not responsible for what his wife had told Mrs Ryan.

Mr Hardwick: "We all of us don't always measure our words. If I had been in Kirkwood's position I would have said exactly what he had said. That would have been without any desire to defeat the regulations."

Told Friend's Son

In the other case, Mr Badham said that Miss Cunningham had given the date of another liner's arrival to a youth named Crofts, whose mother was her friend.

Crofts, who was now in the military, had gone to Bradley's Head to see the vessel arrive, and had been questioned by an officer from the military police section.

Mr Taylor said that prior to Miss Cunningham having revealed the information, there had been Press notices that the liner was coming to Sydney.

Nazis Made Him Fight For Us

A young six-foot-two Hungarian has just joined the Royal Air Force and is now training as a flight mechanic at a station in the north west of England.

As a student in his own country, he was a good fencer. The Austrian Nazis, resenting his skill, forced many duels upon him. But in the true Nazi fashion they made the young Hungarian fight with the heavy German sword with which he was at a great disadvantage. The true Magyar fencing sword is a light foil, and fencing with this "weapon" is a matter of skill and not the bloody brutality favoured by the German youth.

His body bears many marks of the savage fights he was compelled to engage in. Nevertheless at least seven of his self-elected adversaries received their wounds too.

Early in 1939, foreseeing the Nazi plan to overrun Hungary, he made his way to England. Now in return for the hospitality which he has enjoyed here, and in the hope of being able to fight the Nazis on more equal terms, he is in the Air Force.

His dearest wish was to become an air gunner. But his build makes this difficult, so instead he hopes that he will be able to become a fighter pilot. Then, seated behind the battery of guns in a Spitfire or Hurricane or one of the yet to be developed fighters of the R.A.F., he will even the score with the persecutors of his people.

Since he has been in England he has learned to speak excellent English, and he has a high regard for his British colleagues of the R.A.F. "They are a great crowd," he said. Two of his comrades at the training school, who in civil life were Welsh school boys, insisted on sewing onto his shoulder the initials "V.R." "You are a real volunteer" they said. And to-day he proudly wears the emblem of the Volunteer Reserve of the Royal Air Force.

'Malayan Book' In Australia

SEVEN hundred travellers from the East have signed "The Malayan Book," a visitor's book kept by a young barmaid at the Hotel Australia.

Began just a year ago, it has become famous among men on leave from the East as a friendship, information, and even matrimonial bureau.

"The book has been responsible for five marriages and several engagements," said the attractive young blonde who began it. "It has relieved the loneliness of some of the young chaps who have arrived not knowing a soul, and has renewed many school friendships."

"These men never forget me, and I have had invitations to their celebration parties and to their marriages. "Scores of these men have told me that all they heard about Sydney was that there was a 'Malayan visitors' book' at the Hotel Australia and that through me they could contact other men from the East."

Wine Fuel For Nazi Tanks

SO great is Germany's need for oil to feed its tanks and planes that Franco's wines have been requisitioned to make power alcohol, says an Australian report from London.

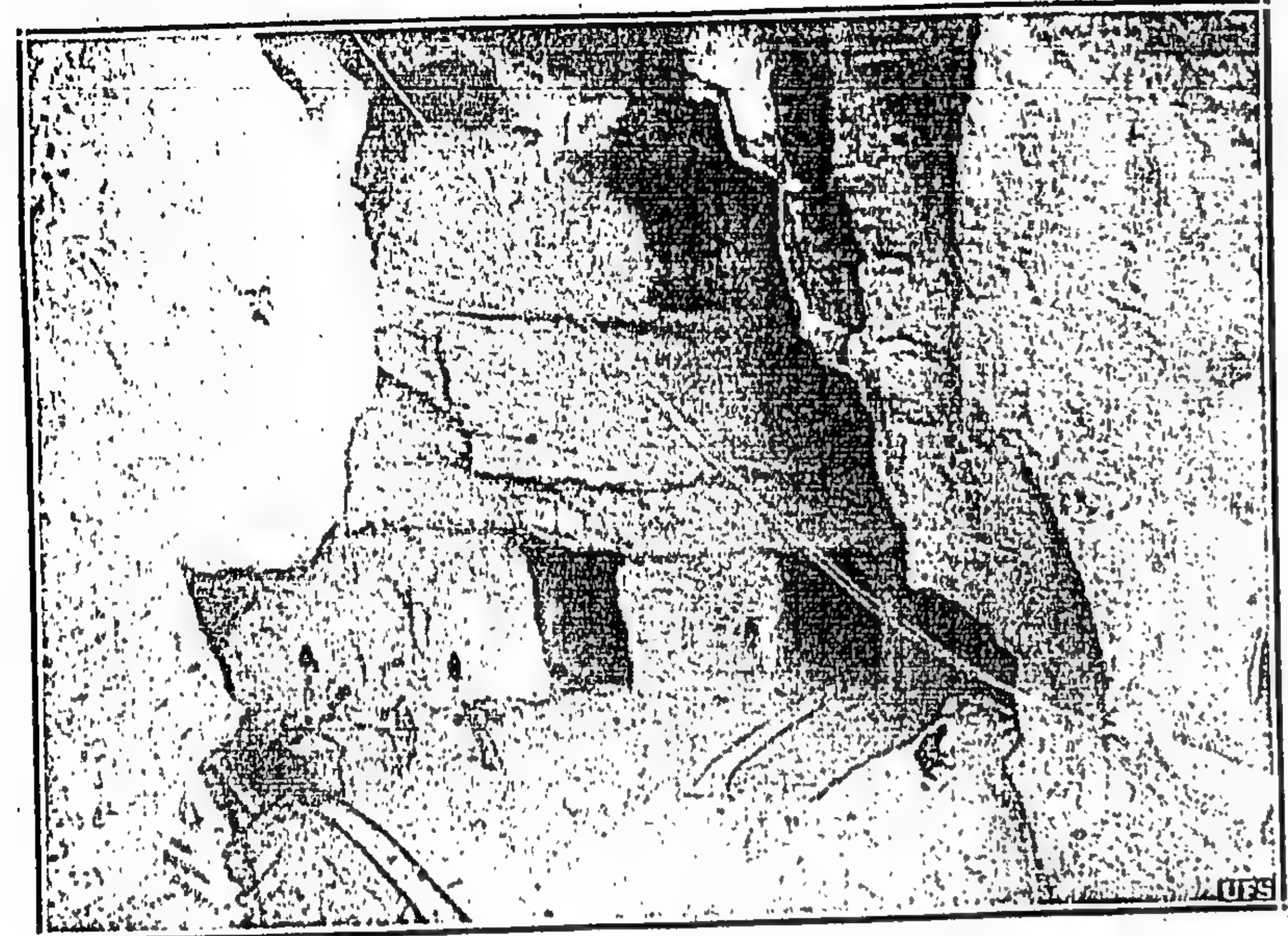
Germany is exploring every avenue in conquered Europe for oil. "Albanian production has been intensified and Rumania is being urged to speed-up boring on old fields and to develop new wells."

Prospecting is in progress also in Hungary, Croatia, Greece, Slovakia, Poland and Bulgaria.

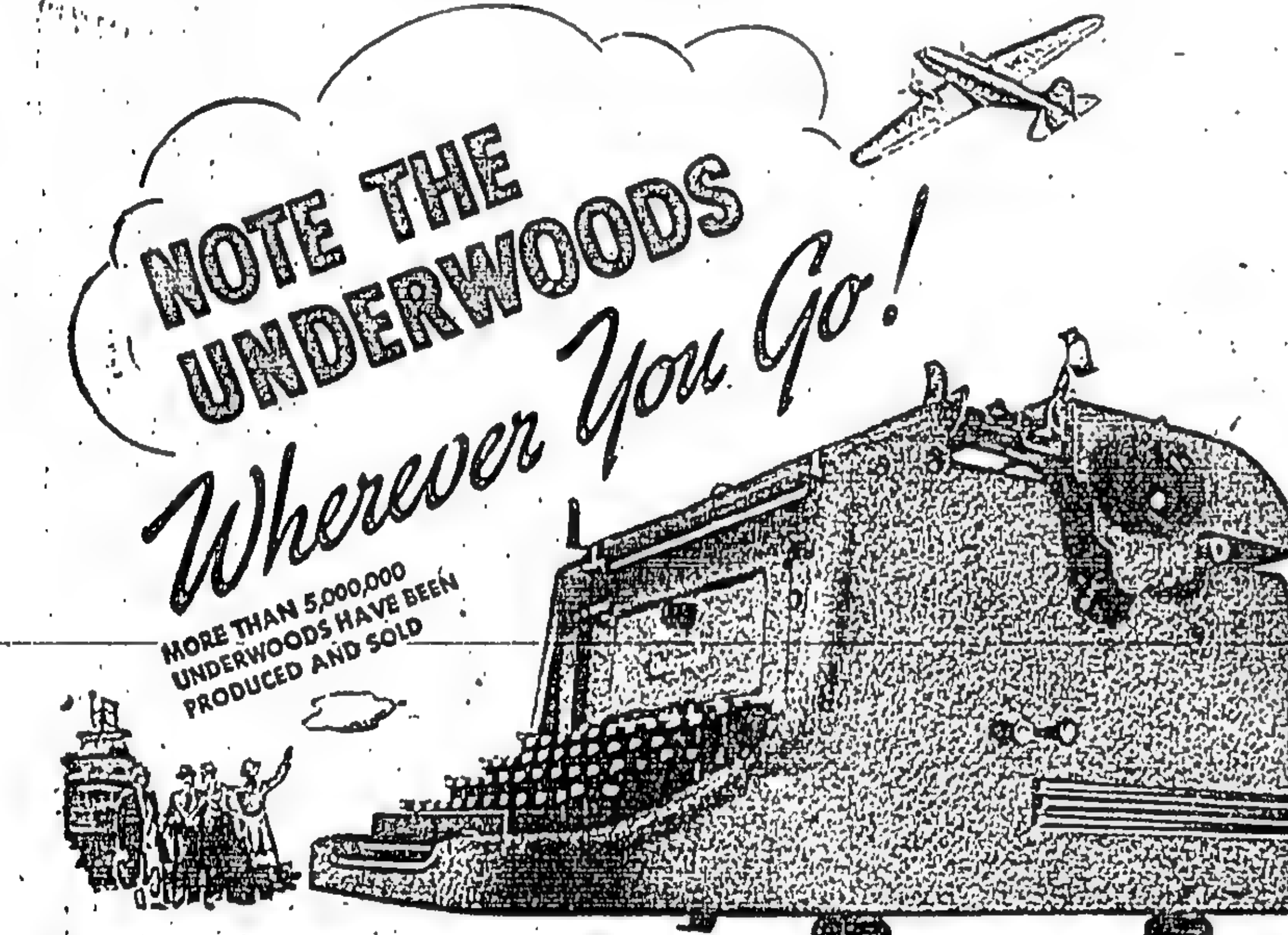
American machinery is needed, however, to exploit new sources. In the synthetic field, Germany is erecting a new Hulsite plant and is utilizing more methane gas, wood spirit and barley alcohol.

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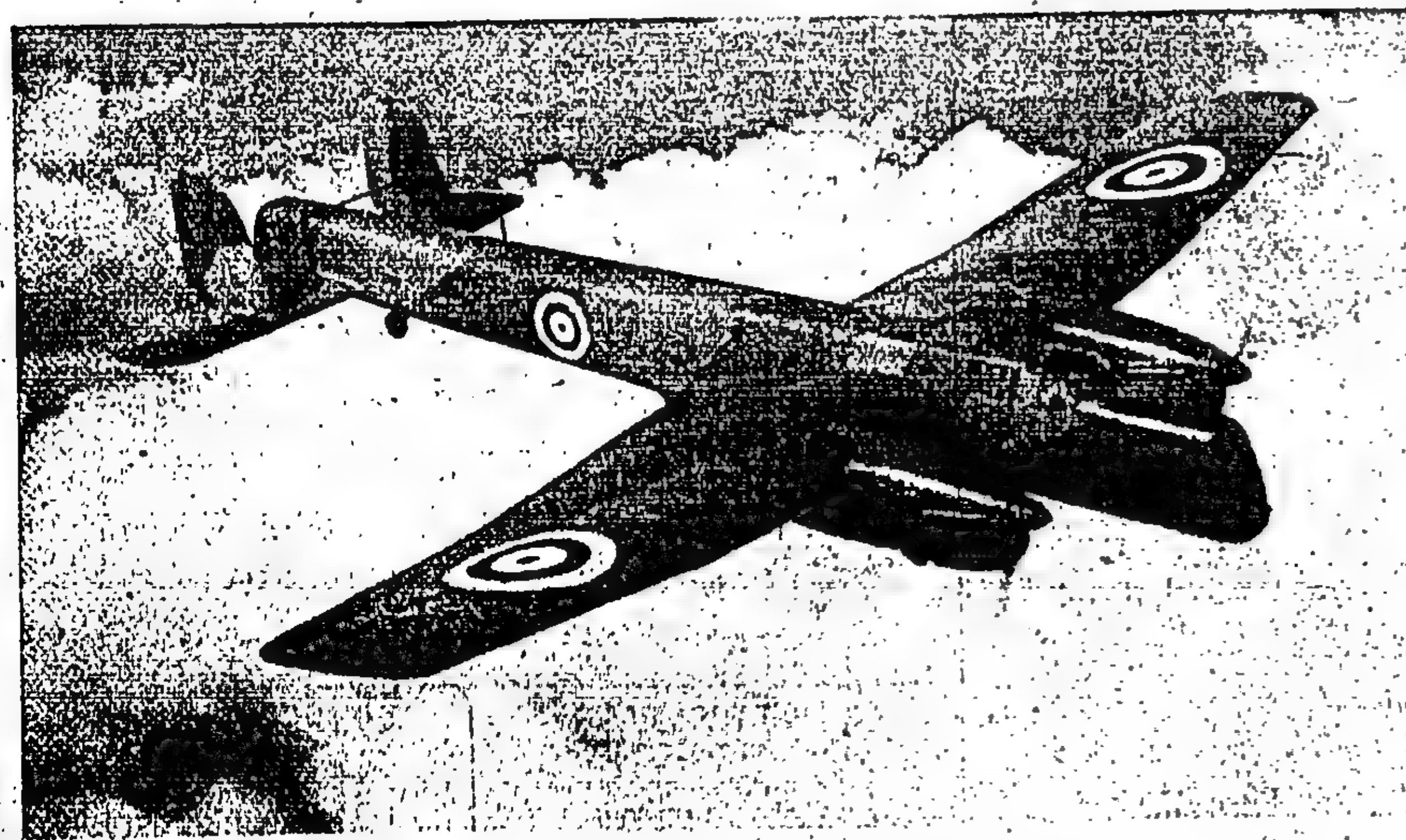


TUNNELS IN THE "ROCK"—Canadian dry rock miners tunnel into Gibraltar. Tunnels begun in 18th century serve as military storerooms, air raid shelters for island civilian population and covers for new artesian wells recently dug.



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WHITEAWAY'S

GERMAN BLITZ FAILS: INCREASING RUSSIAN COUNTER-OFFENSIVES

SPECIAL TO THE "TELEGRAPH"

MOSCOW, July 30 (UP).—IT WAS ASSERTED BY THE "PRAVDA" TO-DAY THAT THE GERMAN BLITZ TACTICS HAD FAILED, AND THAT THE NAZI OFFENSIVE IS GRADUALLY WEAKENING AS SOVIET RESISTANCE STIFFENS.

"UNITED PRESS", IN A SUMMARY OF THE REPORTS FROM THE RUSSIAN FIGHTING FRONT, GIVES THE SOVIET UNION INCREASING ADVANTAGES AS, SIMULTANEOUSLY WITH REPORTED RUSSIAN COUNTER-OFFENSIVES, MR HARRY HOPKINS, CO-ORDINATOR OF THE LEND AND LEASE PROGRAMME, ARRIVED IN MOSCOW TO DISCUSS UNITED STATES AID.

MORE HEARTENING SOVIET CLAIMS

Nazi Regiment Obliterated

Special to the "Telegraph"

MOSCOW, July 30 (UP).—In an analysis to-day of the official reports from the fighting fronts, "Pravda" states that Soviet counter-attacks on the Smolensk front as well as increasing guerrilla activity behind the Nazi front lines are forcing a diversion of German tanks, armoured cars and motor cycles.

TUTUILA INCIDENT ANGERS

Washington Reaction

WASHINGTON, July 30 (UP).—Angry Congressmen have denounced the Tutuila incident as a "deliberate provocation warranting immediate retaliation."

Congress to-day echoed a chorus of demands that the United States forcefully express its displeasure. The House Democratic leader, Representative McCormack, called the bombing an "act of hostility clearly demonstrating that Japan is at present a front for Hitler in his aggressive moves against the United States."

"There is no question that the act was deliberate—a very serious act of provocation," continued Representative McCormack. "The Government cannot permit such things to pass unnoticed."

"Gone Far Enough"

Representative Luther Johnson, of the Foreign Affairs Committee, said: "They have gone far enough."

Representative John Coffee demanded an immediate embargo on all United States materials destined for Japan. "The incident demands an end of the Administration's policy of appeasing Japan," he said.

It is reported that Admiral Nomura, the Japanese Ambassador, has insisted that the bombing was accidental. Representative Sam Rayburn, Speaker of the House, used the incident as a strong argument for quick passage of legislation to allow the President to keep citizen soldiers for the duration of the emergency and said that Japanese aggression, including the occupation of Indo-China and particularly the bombing of the Tutuila, had won hitherto reluctant support for the extension.

Mr Hopkins Paying A Visit to Moscow

Special to the "Telegraph"

LONDON, July 30 (UP).—Moscow radio announced that M. Stalin and M. Molotov conferred with the United States Ambassador Mr Laurence Steinhardt and Mr Harry Hopkins to-day.

Expedite War Materials

WASHINGTON, July 30 (UP).—The Under-Secretary of State, Mr Sumner Welles to-day stated that Mr Harry Hopkins, Chief Co-ordinator of the Lend and Lease programme went to Moscow on the direct request of President Roosevelt in order to expedite the needed war materials to the Soviet Union.

It is believed that the United States and Britain have only waited until the Soviets showed their ability to establish a fairly firm and permanent front before making plans to assist with munitions, and materials. Thus, Mr Hopkins' sudden arrival may indicate an Anglo-American decision to move swiftly.

Anglo-Red Air Raid On Norway

SPECIAL TO THE "TELEGRAPH"

BERLIN, July 31 (UP).—Nazi sources claim that a joint Anglo-Russian air attack on a Northern Norway port, reported to be Kirkenes, was beaten off with the loss of 28 British planes.

This is the first report since the start of the Russo-German war of joint Anglo-Russian operations. The Nazis claim that the attack was launched by British torpedo planes from an aircraft-carrier operating in the Arctic with a heavy fighter escort. The Russians appeared shortly after the British had attacked.

Kirkenes is 40 miles due west of the Russian border and is about 90 miles from Murmansk.

Australian Prisoners Located

SYDNEY, July 31 (UP).—The Minister of Defence, Mr P. C. Stanger, has located 2,300 members of the Australian Imperial Force who were taken prisoner, through the agency of the Red Cross.

Five hundred other Australians, listed as missing, have rejoined their units, and 40 per cent of those reported as missing are thus accounted for.

LATEST

Nazi Air Ace's Suicide

SPECIAL TO THE "TELEGRAPH"

LONDON, July 30 (UP).—The "Daily Sketch", citing "documents received in New York to which great importance is attached in Allied official circles" said that Air General Hans Udet of the Nazi air force committed suicide while under protective arrest by Herr Himmler's Black Guards.

It is stated that General Udet was detained after protesting against Hitler's orders to invade Russia.

The "Daily Sketch" writes: "General Udet is known to have given the fullest support to Goering during the fateful conferences held at the German chancellery during the months preceding the attack on Russia. He shared the Marshal's disgrace when Hitler decided to over-ride the warnings of his soundest military advisers."

Nazi Commandant Killed

SPECIAL TO THE "TELEGRAPH"

BERLIN, July 30 (UP).—It is announced that Major-General Karl von Weber, 48, commander of the German Panzer division was killed on July 20 on the Eastern Front. It is also announced that Lieut Walter Frick, 27, son of Minister of the Interior Frick, has died from wounds on the Eastern Front.

Raid On Nazi Shipping

The R.A.F.'s daylight offensive against enemy shipping is being carried out relentlessly. Here is an artist's impress of a Bristol Beaufort destroying a Nazi supply ship off the Norwegian coast. The success of this attack on a German convoy has been officially reported.



BRITAIN STRIKES AGAIN AT JAPAN'S ECONOMIC LIFELINE

Special to the "Telegraph"

LONDON, July 30 (UP).—It is authoritatively stated that as a further economic measure against Japan, Great Britain is withdrawing ship's warrants from Japanese shipping lines.

It is understood that this means that Japanese lines will not be able to utilise British-owned coaling stations and similar facilities throughout the world, and are also to be barred from inter-Empire transport of goods.

The step more or less automatically follows the cessation of trade relations.

Comment on Scepticism

LONDON, July 30 (UP).—The Ministry of Economic Warfare, referring to the scepticism expressed in America and Great Britain with regard to the order freezing Japanese assets stated to-day: "Such machinery can be 100 per cent effective, which means bringing to a standstill all trade with Japan by the countries applying the freezing policy."

However, the extent to which the machinery is applied is a question of policy and not, at the moment, one on which the Ministry can comment.

Darlan Accused

LONDON, July 31 (Reuter).—However unpleasant the result may be for Japan, she must now realise that her latest aggression in obvious complicity with the aggressor Powers of Europe has destroyed any illusion which may have survived about her intentions says "The Times" in an editorial regarding the occupation of Indo-China.

The newspaper adds that there seems to be some evidence for the theory that this surrender was not so much extorted by the threat of force as made by Admiral Darlan, if not voluntarily, at any rate without any great pressure out of his eager desire to curry favour with his German masters and make trouble for this country and the United States.

Springboard

Japan's motives are as clear as Darlan's. She has now acquired a first-rate jumping off place for an attack on Thailand, Burma, British Malaya, Philippines and Netherlands East-Indies.

The direction of the next move, unless Japan is sharply pulled up by TURN to Back Page, Column 3

Tobruk Garrison Sortie

CAIRO, July 30 (Reuter).—Tobruk garrison patrols were very active on Monday night. One routed a large party of Italians over two miles from the British lines.

The news is given in a British G.H.Q. communique which states: "During the night of July 28-29, a strong fighting patrol operating from the eastern sector of Tobruk defences attacked and put to flight a large party of Italians occupying an isolated defended locality over two miles distant from our lines. The enemy sustained many casualties and left one gun and 20 rifles in our hands."

"Although other patrols operating southward penetrated deep into enemy positions, they failed to make contact."

"In the frontier area, one of our mechanized patrols succeeded in destroying considerable stocks of aviation spirit and oil on a hostile landing ground."

"Elsewhere in the frontier area, aggressive activity by our patrols has continued."

Washington Advises Japan To Forsake Present Policy

Special to the "Telegraph"

WASHINGTON, July 30 (UP).—Although the United States has taken drastic measures and is prepared to take even sharper ones against Japan, officials still hope that Japan will recast her policies and co-operate with the United States.

JAPANESE SUSPECTS ROUND-UP

Report On Hawaiian Seizures

WASHINGTON, July 30 (UP).—Mr Elmer L. Irey, Chief Co-ordinator of the Treasury enforcement agencies asserted in his annual report that the recent seizure of nineteen Japanese fishing boats operating in Hawaiian waters was the climax of a "momentous case."

Although Treasury officials declined to discuss reports from other Government quarters, the seizure represented a partial round-up of spies in the Hawaiian area. Informed circles stated that the crews of the vessels included officers of the Japanese naval reserve.

Mr Irey reported to Mr Morgenthau, Secretary of the Treasury, that "in view of world conditions this (seizure) is regarded as the most momentous case to be developed by any enforcement agency of the Treasury Department during the fiscal year ended June 30th."

71 Japanese Arrested

The Government indicated that 71 Japanese, mostly aliens, of three Honolulu fishing companies were arrested last March as a result of the seizures. Mr Irey reported that the fishermen owners of the vessels made a request to return to Japan for the stated purpose of receiving "medical treatment" and for medical baths.

The fishing vessels were known to be equipped with long-range radio.

TURN to Back Page, Column 3

Marines At Malta

Have Situation Well In Hand

LONDON, July 30 (Reuter).

The break-up of the Italian "mystery boat" attack on Valetta harbour (Malta) is the subject of a telegram of congratulations from the Chief of the British Imperial General Staff Sir John Dill, to the Commander-in-Chief of Malta, Lieut-General Sir William Dobbie.

General Dill states: "Please convey my congratulations to all ranks of the Royal Marine artillery manning the fixed defences on their great success in breaking up a determined enemy sea-borne attack on the grand harbour. The action of these gunners has excited universal admiration here in the United Kingdom. The skill and determination shown by them will act as a strong deterrent to future enemy attacks by sea."

Signor Gayda On American Belligerency

Axis "Right" To Attack U.S. Warships

SPECIAL TO THE "TELEGRAPH"

ROME, July 30 (UP).—Signor Virginia Gayda, writing in the "Giornale d'Italia" declared that American warships should be considered as enemy belligerents, for which reason Axis ships should fire at them.

"Colonel Knox's statement that United States destroyers dropped depth bombs because it believed that an Axis submarine was nearby creates a precedent for Axis ships which justifies any eventual attack against American ships."

"Since it has been demonstrated that an American ship considers itself authorized to attack an Axis ship merely because it suspects the latter might attack, then an Axis ship has the right to consider an American warship as an enemy belligerent and act accordingly," Signor Gayda concluded.

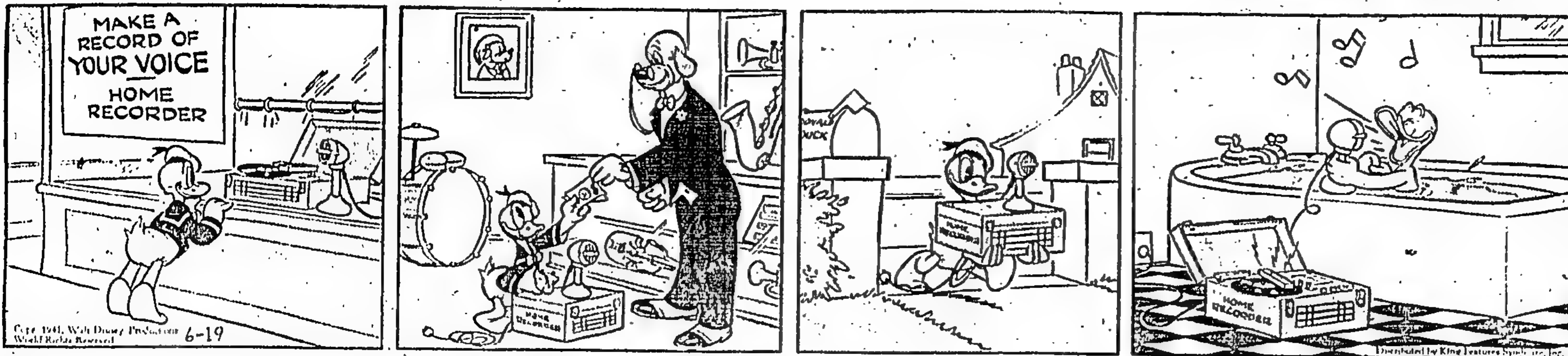
London Suspects Japanese Designs On Thailand

Special to the "Telegraph"

LONDON, July 30 (UP).—Despite Bangkok denials of the report that Japan has demanded that Thailand join the "New Order," well-informed diplomatic circles here believe that Japan's next move will be aimed at obtaining a foothold in Thailand.

Such a step, if successful, would not only give the Japanese further bases from which to threaten China's Burma Road lifeline, but also place Japan considerably nearer the Burmese oilfields. The diplomats stated that Japan began her campaign with hints and complaints against the Thai government aimed at securing political and economic concessions similar to those which preceded the Japanese demands leading to the Vichy agreement. As one phase of this campaign, they pointed to the radio allegations that Thailand was threatening to back Japan, Column 5

DONALD DUCK



By Walt Disney

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CONTRACT BRIDGE

How to Play
AND
How to Win

By JOSEPHINE GILBERTSON

When Not to Win a Trick

THE inexperienced bridge player bends every effort toward the winning of tricks, under all circumstances and regardless of their class, colour and degree. To him "a trick is a trick," and he is grateful for all and sundry.

The experienced player has learned to appreciate that certain types of tricks are burdens rather than prizes. This valuable lesson enables him to wage the brilliant sort of defence found in the following deal:

Both sides vulnerable.
South dealer.

♠ Q10642
♥ A8
♦ 83
♣ 62

♠ J53
♥ Q1063
♦ Q72
♣ K985

♠ K7
♥ J7
♦ AJ109
♣ 64

♠ A8
♥ KQ64
♦ KQ8
♣ AJ104

The bidding:
South West North East
1♥ Pass 1♠ Pass
2NT Pass 3♠ Pass
3NT Pass 4♠ Pass

NORTH would have been well advised to persist with his spades to the game level. South's notrump bidding had announced a minimum of two spades and the overwhelming presumption was that these would include a high honour. South also might have chosen a spade rather than a notrump contract—but, if he had, we would have no brilliant defence to record.

West made his normal and correct opening of the diamond jack, the top of an interior sequence. Declarer won and, correctly analysing that it would probably be necessary to bring home dummy's spade suit, laid down the ace, intending to follow up with his low spade. If West had automatically followed suit to the ace, the defenders would have retained only an academic interest in

To-morrow's Hand
Rubber bridge.
South dealer.
Both sides vulnerable.

♠ J1073
♥ Q642
♦ A96
♣ 85

♠ J84
♥ Q1088
♦ Q1084
♣ 2

How should South play his seven spade contract? Opening lead diamond jack.

WITH A MOBILE CONCERT PARTY

The Muddicombe Mobile Concert Party had its beginning, where many good things began, in the mind of Fanny Tryer.

Fanny's husband was mine-sweeping. Running a house, garden and chicken yard, keeping an old father-in-law and an evacuee family at peace with each other, watching over the welfare of the village, left Fanny with energy still to spare.

Then Fanny's sister, Chloe, bombed out of her flat in London, came to Muddicombe. Chloe was lame, but her mind and her piano-playing fingers moved like lightning.

A couple of R.A.F. men, from the observation post on the hill, came to Fanny's house for a bath.

"I hear they had a grand concert in Smalltown last week," said one of them. "We chaps out here don't see shows like that!"

"Why should not we get up something to amuse the men in the country?" said Fanny to Chloe.

And so it all began.

topical verses, the local back-chat, which gave to every performance its intimate, personal note.

The party's chief difficulty was transport. There had to be careful pooling of cars and petrol. "Props" were reduced to the pierrot caps and ruffs and the funny man's top hat. They played on curious stages, with Army blankets as curtains, the footlights candles in the halves of tobacco tins. There was one occasion when a stage had been prepared of boards laid on the top of barrels. When the performers

A Letter from Everyday England

By KATHLEEN
CONYNGHAM
GREENE

all moved to one end of it the boards tilted, with an unrehearsed comic effect!

A piano was always produced from somewhere.

There was a night when a bomb crater stopped the only road to the aerodrome. One airman carried Chloe over the debris, another carried her crutch.

There were times when the arrival of the concert party coincided with that of Nazi aircraft.

"See what a name you folks have got. . . . Even Goering can't keep away from your show!"

There was a night when the snow came during a performance on the downs. The cars were stuck, the track to the main road blotted out. Wrapped in the Army blankets that had draped their stage, the "Muddy Mob" spent the night round the stove in the hut that had housed their show.

The Women's Voluntary Services gave the "Muddy Mob", as they called themselves, help and encouragement from the first. They helped in copying song parts, in putting the party in touch with custodians of village halls.

If you had asked Fanny how she got her party together she could not have told you. They just seemed to come. The village grocer turned out to be a wonderful tap-dancer. It only needed a little persuasion on the part of Chloe to make him a singer too. A bank clerk in Smalltown was discovered to have a genius for comic recitation. His wife could sing Victorian ballads "so as to melt your heart". A Voluntary Aid Detachment nurse at the Smalltown hospital had been training for the ballet when the war came. She was only too glad, she said, to have a chance of keeping her toes in practice, and dancing was positively restful after a day in the wards. The Muddicombe station master had a stirring baritone voice. He could bring the house down with a sen-shanty or a plantation song.

"We're not just a comic party," said Fanny. "A little of all sorts is our motto."

A roomful of men would sit spellbound on hearing Chloe's violin or her birdlike soprano in a Schubert song.

Fanny was comrade, gay, alert, resourceful; drawing audience and performers together with her quick magnetic sympathy, filling any gap with a story, or with the sudden silly question that set the whole house laughing. Chloe was accompanist. Between them they wrote the

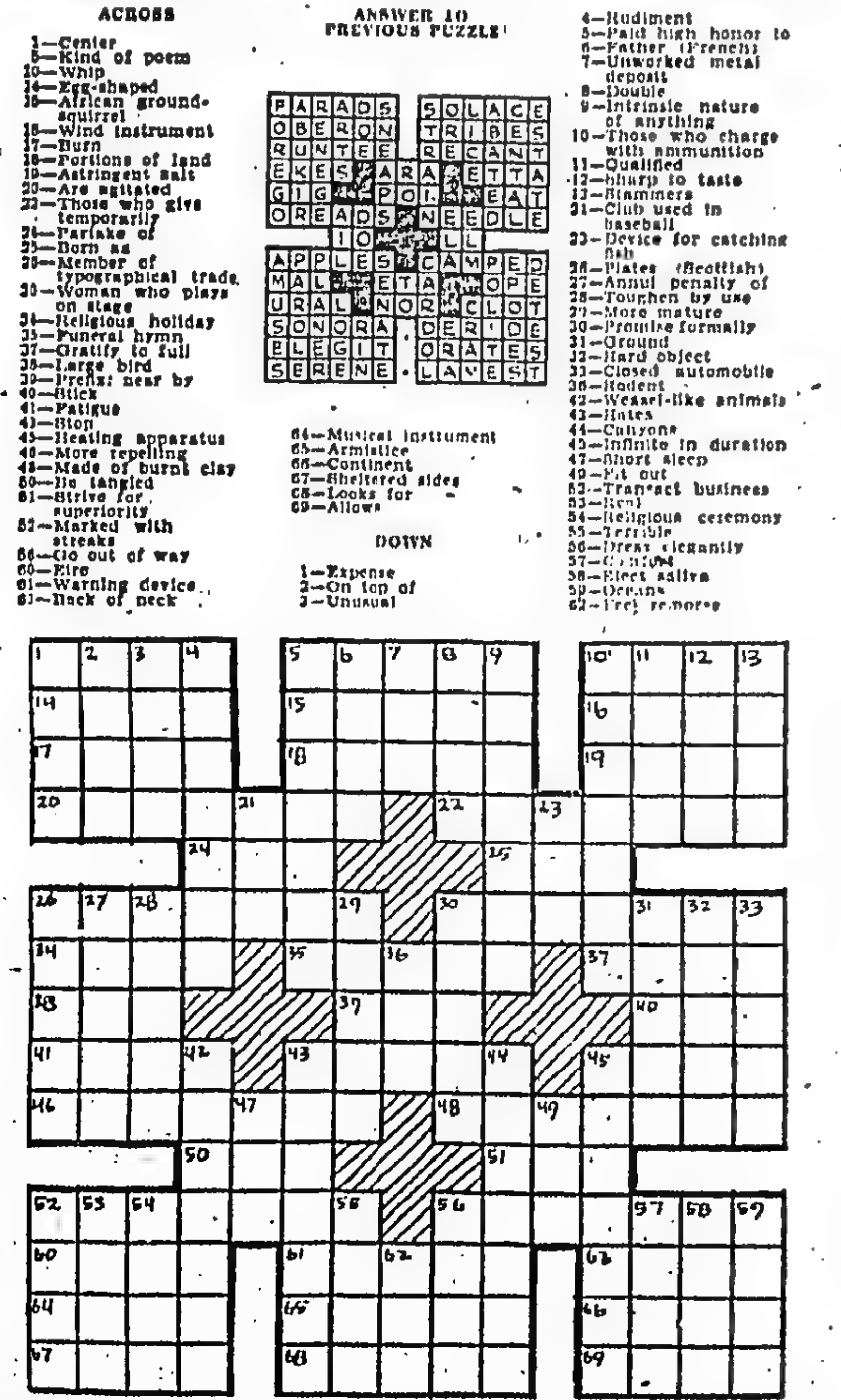
GRIN AND BEAR IT By Lichty



"Oll's certainly has grown up these last eventful months—in December he was writing to Santa Claus—now he writes to our M.P."

Crossword Puzzle

By LARS MORRIS



OTTAWA, July 30 (Reuter).—The Canadian Red Cross is immediately increasing its weekly food parcel shipments for British prisoners of war from 10,000 to 20,000. Each parcel will contain 10 food items.

CALCUTTA, July 30 (Reuter).—The poet Rabindranath Tagore has undergone an operation. His condition is described as satisfactory. He is believed to have had kidney trouble.

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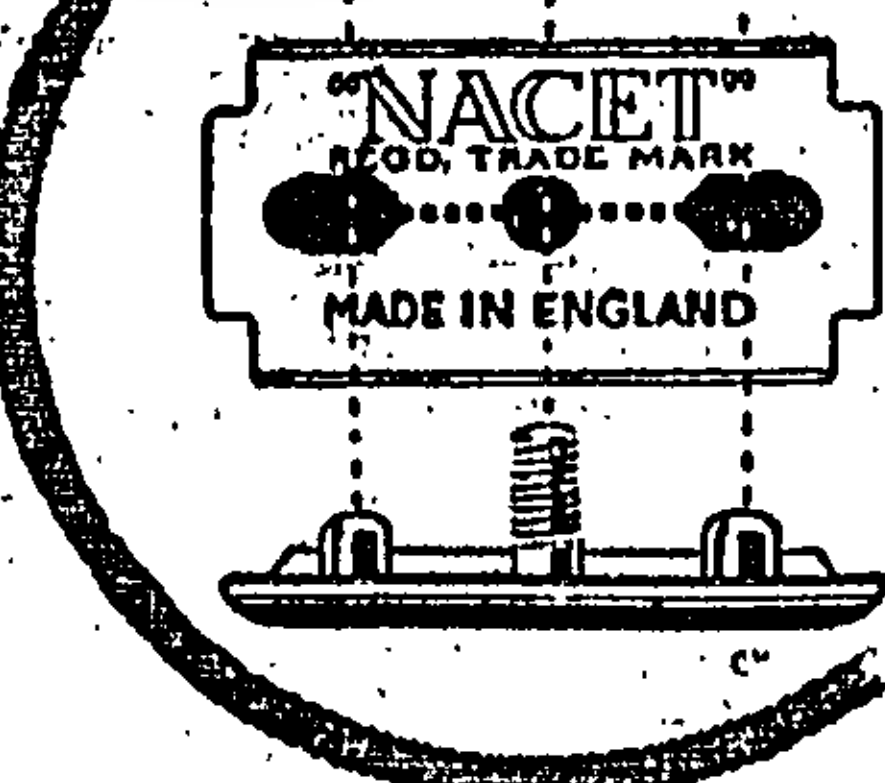
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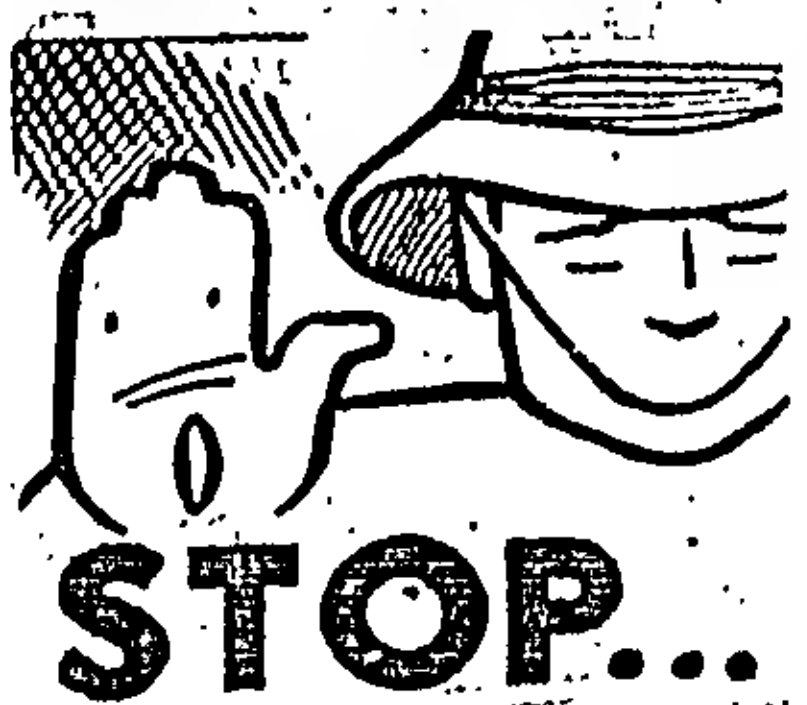
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ACKNOWLEDGMENT

Mr. A. E. Coates and daughters and
Miss L. M. de Souza express
their deep gratitude to all friends
and relatives for their expres-
sions of sympathy, floral tributes
and attendance at the funeral of
the late Mrs. Gladys Coates.
They wish to record their appre-
ciation to the sisters and nurse
of the St. Theresa's Hospital,
also to the doctors and the Rev.
Father for their kindness and
attention.

The
Hongkong Telegraph

Thursday, July 31, 1941.

Wyndham St., Hongkong
Telephone: 20615

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RUSSIA'S GREAT FIGHT

NO one will take issue with Mr
Churchill on his weighed words that
we cannot expect Russia or America
to win this war for us, but we are
mightily comforted by the superb
fight that the Red Army and Air
Force is putting up and the courage-
ous stand on our behalf by the United
States which is proving literally to be
the arsenal of democracy.

Turning to reports of the actual
front it is revealing to find the Ger-
mans making false and over-optimis-
tic communiques on the progress of
the invasion of Russia—a strategem
that the Reichswehr have so far
scorned or found unnecessary. Al-
most at the outset they declared that
the Russian air force had been wiped
from the skies yet this same force is
to-day not only giving adequate
support to the armies on all fronts,
but it actually finds the extra margin
to enable persistent bombing of the
Rumanian oil fields. Divisions of the
Red Army have been "annihilated"
only to prove strong and irksome im-
pediments in the rear of the Nazi
army, threatening the isolation of the
invaders' advance forces and hamper-
ing supplies of petrol and munitions
going to the front. Of the Red Fleet
little has been heard but it is doing
something in contesting domination
of the Baltic Sea and will certainly
keep some German naval forces en-
gaged in that area.

Admission will be given unstin-
glingly to the Red Army which has
not only fought and outlasted on-
slaughts with a phlegm worthy of the
military traditions. In towns which
invading mechanised forces had passed
or surrounded they continue to re-
sist so fiercely that the enemy, halted
in what he thought would be head-
long progress, has complained bitter-
ly of their "stupidity." Hitler has
been silent of late as well he may for
he has thrown uncounted young men
into a fray which had no justification
even before his own people, and no
one knows how many he will bring
back or whether they will return with
victory. Certainly the fall of Moscow
or Leningrad will not decide the
issue.

Hungary and Rumania may be
satisfied with slices of territory which
have already been yielded and may
require further German stiffening.
Finland will almost certainly be sat-
isfied with the restoration of the terri-
tories recently wrested from her but,
though not the jockeys that the
Rumanians and the Magyars have proved
to be, they may not feel able to aban-
don their alliance with the enemy.
There are mixed feelings about Fin-
land and that fire is best not kindled

How Sanctions Would Hit the Japanese

A detailed study prepared average Japanese was one-
portant machinery producer ed dependence on imports
by a leading Chinese econo- quarter that of the average not actually at war and from the U.S.A. Nor does
mist and just made public American. Since then it within reach. he think that Tokyo has

indicates that the U.S.A., by has dropped by 46 per cent, 5. The best barometer reached the point of col-
economic sanctions, can and the bottom isn't in of the trouble Tokyo is en-lapse.

sharply reduce aggressive sight. counteracting in trying to But from the data he has

Japan's ability to wage war. Since the average Japa-keep her war machine go-gathered—and it must be

The report says Japan is nese was broke to begin ing is her shipbuilding in-regarded as reliable, though

without most of the sinews with, the drop since 1936 dustry, vital because of Mr Hu is a Chinese writing

of war and depends on for-has come not out of luxuries Japan's dependence on for- about Japan, for he is the

eign trade to get them. such as autos and radios, eign trade, and vital as author of previous reports

Unlike her Axis partner, but out of food. Even the auxiliaries for her fleet. on Japan the accuracy of

Germany, she does not have Japanese Army has found Annual capacity of Japa-which has been proved—it is

either the advanced machine what this means: 40 per nese yards is 800,000 tons possible to see that Japan

industries or scientific cent of the young Japanese (for purposes of compari-may go more totalitarian

techniques to get along called up for military ser-son: about one-third of Bri- still in an effort to ease her

chiefly on ersatz. Most vice have to be rejected. tain's normal peace-time headaches.

Japanese war imports come 3. The Army's huge capacity). Actual output For instance, the catas-

from the U.S.A. and the levies plus industry's en-has been: trophic drop in the real in-

British Empire. her grandiose dream of the 4. Employment in Japan pire. come of the average Japan-

"Greater East Asia Co- is at an all-time high. Un- 6. The decline in ship- trophic drop in the real in-

Prosperity Sphere," the employment is almost un-building is significant be- come of the average Japan-

study declares. labour shortage, as well as materials enter into ships. ing and housing he can buy

The report was prepared by T. Y. Hu, director of the workers. Factories are dicated. Here is a list of is due partly to climbing

Chinese Council for Eco- nomic Research in Washing- city. Two-fifths of Japan's of the raw materials which prices. Official Japanese

ton. It is one of the first detailed pictures of what is happening inside the workers work 12 hours a are imported, and of Japan's figures show a 50 per cent

poverty-stricken, ambitious day, and most of the rest 10. customary sources for the use of force to make

Island Empire after four years of war with China. Government, as a matter of. Iron ore, Malaya and the

fact, found it necessary two Philippines; oil, the Dutch

and a half years ago to rule East Indies and (all except the Japanese

work a day. Japanese labour is working -very until recently, the U.S.A.; their armament effort, they

nearly as many hours as tin, Malaya; rubber, Ma- used police power to break

human beings can work. But still the goods of war and the necessities of life do not come from the factories

work a day. Japanese labour is working -very until recently, the U.S.A.; their armament effort, they

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Polish Army To Be Formed On Russian Territory

LONDON, July 30 (Reuter).—The Soviet Government has given its consent to the formation of a Polish army on Russian territory, announced Mr Anthony Eden in the House of Commons to-day, amid loud cheers.

Mr Eden made this remark when telling the House that a Soviet-Polish agreement had been signed at the Foreign Office.

The Foreign Secretary said that this historic event would lay a firm foundation for future Soviet-Polish collaboration in the war against a common enemy (cheers).

It would, therefore, be a valuable contribution to the common cause (cheers) and would be warmly welcomed in all friendly countries and not the least among all countries of the British Empire (loud cheers).

Mr Eden congratulated those who had shown such wise statesmanship in coming to an agreement (cheers).

Diplomatic Relations
Mr Eden stated that arrangements for the immediate resumption of Soviet-Polish diplomatic relations are being made.

He stated that after the signature of the agreement, the Polish Prime Minister, the following Note: "I desire to take the opportunity to inform you that in conformity with the provisions of the agreement of mutual assistance between the United Kingdom and Poland of August 25, 1939, the Government of the United Kingdom have entered into undertakings with Soviet Russia which affect the relations of that country and Poland. I also desire to assure you that the British Government do not recognise the territorial changes effected in Poland since August, 1939."

Sikorski's Reply
General Sikorski handed Mr Eden the following reply: "The Polish Government take note of Your Excellency's letter dated July 30, 1941, and desire to express sincere satisfaction at the statement that the British Government do not recognise any territorial changes which have been effected in Poland since August, 1939."

"This corresponds with the view of the Polish Government which, as they have previously informed the British Government, have never recognised any territorial changes in Poland since the outbreak of the present war."

Mr Eden pointed out that the Soviet-Polish agreement stated that the Soviet Government recognised that the Soviet-German treaties of 1939 concerning territorial changes in Poland had lost their validity. He recalled that the attitude of the British Government was stated in general terms by the Prime Minister in the House of Commons on September 5, 1940, when he said that the British Government did not propose to recognise any territorial changes which took place during the war unless they took place with the free consent and goodwill of the parties concerned.

Territorial Changes
Mr Eden added that this holds good for territorial changes effected in Poland since August, 1939, and he had informed the Polish Government accordingly in his official Note.

As regards the future frontiers of Poland and other European countries, Mr Eden drew attention to what the Prime Minister said in the speech to which he referred.

Mr Eden concluded by saying that he was sure that the House would agree that both parties were to be warmly congratulated on the signature of this agreement.

"This is a historic event. It will lay a firm foundation for future collaboration between the two countries in the war against the common enemy. It will, therefore, be a valuable contribution to the common cause (cheers) and would be warmly welcomed in all friendly countries and not the least among all countries of the British Empire (loud cheers)."

enemy. It will, therefore, be a valuable contribution to the common cause (cheers) and would be warmly welcomed in all friendly countries and not the least among all countries of the British Empire (loud cheers).

Frontier Guarantee
Replying to supplementary questions, Mr Eden said that the exchange of Notes which he had just read did not involve any guarantee of frontiers by the British Government.

He answered in the affirmative a question by Sir Percy Harris (Liberal) in regard to whether both parties were satisfied with the terms of the agreement and whether it was mutual in respect of the governments of both nations.

Mr Eden added that he thought, in view of past history, "we ought in fairness to repeat our congratulations to those who have shown such wise statesmanship."

Simple Ceremony
LONDON, July 30 (Reuter).—Simply marked the signing of the Soviet-Polish agreement in the Foreign Office. The Prime Minister presided with Mr Eden on his right and General Sikorski, the Polish Prime Minister, next to Mr Eden while M. Maisky, Russian Ambassador, and M. Novikoff, Counsellor of the Soviet Embassy, were on the Prime Minister's left.

The Polish text and the Russian text of the agreement were placed before the representatives of those countries and were signed by them in their own language first.

Maisky Received
After the signing was completed, Mr Eden said a few words of congratulation. General Sikorski followed and then M. Maisky and finally Mr Churchill.

Immediately after the ceremony had been completed and hands had been shaken all round in an atmosphere of general cordiality, Mr Eden set out for the House of Commons to announce the signature of the agreement.

Mr Ellis Smith (Labour) asked: "As there is a huge potential Polish Army in the Soviet Union, would Mr Eden do all he could to equip that army as quickly as possible?"

Polish Army
Mr Eden replied that it would be a matter for the Soviet Government, "but we have had in mind throughout the negotiations the enormous value to the Allied cause of raising and equipping rapidly a Polish army in Russia."

Eden Congratulations
Mr Leslie Hore-Belisha congratulated Mr Eden on the part he played in mediating this agreement which was of such good augury for the New Order in Europe and asked: "Would Mr Eden also make known to our principal enemy Hitler, that this was the result of his wanton attack on Russia?"

Mr Ness Edwards (Labour) asked: "Was the Note handed to General Sikorski on signing the agreement known beforehand and was it part of an amicable arrangement of all parties?"

"Mr Eden: 'Yes, all that was arranged beforehand.'"

Churchill Present
LONDON, July 30 (Reuter).—Mr Winston Churchill presided at the ceremony of the signing of the Russo-Polish Pact which, he said, marked

the association of two historic nations in the defence of human rights.

Benefits Both Parties
LONDON, July 30 (Reuter).—After the signing of the Soviet-Polish agreement Mr Anthony Eden congratulated the two parties. He believed that the agreement was fair and advantageous to both sides.

General Sikorski said that they were very friendly point in history. Not all the questions between Russia and Poland had been settled in the present agreement but a basis was provided for useful collaboration.

The future would depend on the good will of both sides. They possessed that good will.

He thanked the British Government and especially Mr Eden for all the great works he had done to bring about the agreement. The solidarity of all freedom loving peoples against Hitlerite Germany would provide a basis for common victory.

M. Maisky
M. Maisky, the Soviet Ambassador, expressed the gratitude of the Soviet to the British Government, especially to Mr Eden for all his efforts in working for the agreement. He said that the people of the Soviet Union had very friendly feelings towards the people of Poland. They had a common enemy, namely Hitlerite Germany. They would fight side by side against this common enemy and this would pave the way to a firm and solid friendship between the two peoples in future when the time came to build a new Europe after the war had been won on the principle of self-determination of nations.

Historic Nations
Mr Churchill said this memorable episode marked the association of two historic nations of eastern Europe in defence of human rights. Here, as a result of the labours of the last two days a pact for friendship was signed between Russians and Poles whose past had been chequered by their quarrels, whose future could be lightened by their comradeship.

Mr Churchill concluded by saying that it was a sign and proof of the fact that hundreds of millions of men all over the world were coming together on the march against a filthy gangster power which must be effectively and finally destroyed.

Common Interest
LONDON, July 30 (Reuter).—It is emphasised in London that the Soviet-Polish Agreement implies general recognition of an over-riding common interest and necessity in collaborating in the defeat of the Germans.

It is pointed out that Russians and Poles are both Britain's allies and the Polish force is an integral part of the British forces.

Without this treaty, it would be possible to visualise a situation in which an Anglo-Russian force collaborated in an operation and Poles might also be engaged in the operation without being allies of the Russians.

Genuine Hope
That possibility is now definitely removed.

There is also a genuine hope that in pursuing their common interest, namely the defeat of Germany, much of the trouble and bitterness of the past may be washed out and a solution of problems still to be considered becomes easier and can be conducted in a happier atmosphere.

JAPANESE TRYING TO DRAW THAILAND INTO NEW ORBIT

BANGKOK, July 30 (Reuter).—While authoritative circles deny that Japan has offered Cambodia and Laos as *quid pro quo* if Thailand will join the "New Order," well-informed observers believe that it is only a question of time before Japan sounds Thailand on proposals of some sort.

They think that it is quite probable that Japan will shortly offer the world-famous Angkorwat and Laos in Indo-China in the belief that Thailand will be very glad to have the former for sentimental reasons and the latter on internal political grounds.

The offer might be subject to two important conditions—firstly, Japan to have a virtual monopoly of Thailand's rice, tin and rubber exports; secondly, temporary facilities for Japan to use naval and air bases in Thailand.

Observers maintain that whether Thailand will seriously consider such a conditional offer when it comes is another question altogether though it will largely depend on the attitude of Britain and America.

They are sure that Japan knows better than to assume that the walk-over at Vichy can be repeated at Bangkok despite the fact that Japanese forces are now poised on Thailand's eastern borders.

Counter Blockade
According to the same observers, those at present guiding Thailand's destinies are very closely following every facet of the Far Eastern crisis and the latest British-American intentions to it. They are fully alive to the fact that Britain and America would consider the above-mentioned economic condition as active assistance to any Japanese counter-blockade and the strategic condition abandonment of Thailand's neutrality.

Even if Thailand is prepared to discuss a modified form of economic condition, she cannot easily be persuaded to commit herself on the strategic condition.

It is also equally probable that Japan will immediately ask Thailand to recognise the Manchukuo and Nanking regimes. This will be a feather to see to what extent Thailand relies on the backing of other Powers to resist pressure.

No Pressure
Thailand has met with no pressure, economic or military, from any Power and has no anxiety whatever about being the object of military aggression by any foreign country, says a communique affirming Thailand's foreign policy.

The communique adds that Thailand will not be concerned with any dispute arising outside of her borders but will gladly carry on trade relations with foreign countries with a view to maintaining friendly relations with every country.

Elastic Reprisals
LONDON, July 30 (Reuter).—"Somewhat elastic reprisals"—this is the "Manchester Guardian's" comment on Tokyo's rejoinder to British, American and Dutch freezing.

Drawing attention to the Japanese announcement in New York that interest on the sinking fund payments on dollar bonds would be continued, the "Manchester Guardian" says that unofficial Japanese quarters in London have hinted that the service of sterling bonds will probably be maintained if sufficient trade is allowed for accumulation of sterling balances.

The "Manchester Guardian" points out that only about £2,000,000 is required for the annual upkeep payment to British holders and Japanese financiers are anxious not to spoil the Japanese record for regular payment.

Cash Basis
The new regulations do not in fact bar a certain amount of trade on a cash basis and the embargo on the supply of important raw materials to Japan does not yet apply to oil. Economic pressure has only begun.

The Democratic Governments have not yet shut Japan's way of retreat. It depends on her actions whether the pressure will be increased to the point of slow strangulation, adds the journal.

All papers draw attention to Japan beginning to put the screw on Thailand in the same way as on Indo-China with hints, complaints and radio allegations that Thailand is "threatened" by the British.

Craigie Sees Toyoda
TOKYO, July 30 (Reuter).—Sir Robert Craigie, the British Ambassador, and the Japanese Foreign Minister Admiral Toyoda conferred for more than half an hour this afternoon, according to the "Domei" agency, which understands that they discussed the latest developments in Anglo-Japanese relations.

Fait Accompli
VICHY, July 30 (Reuter).—Japan is willing to call a halt to expansion if the democracies recognise the "fait accompli" in French Indo-China. If, on the other hand, "encirclement" in the Pacific continues—in other words if economic sanctions are aggravated by an embargo on oil—Japan will have to consider taking measures to prevent herself being strangled.

That is how the Tokyo correspondent of a Vichy news agency—quoting "well informed Japanese quarters"—summed up the attitude of the Japanese Government to-day.

The correspondent "does not despair of finding a basis for a modus vivendi with the United States when the psychological effect of the credit blockade subsides."

More Ships For The Orient
MANILA, July 30 (UP).—Business officials have received telephone information from Washington that at least six ships are being assigned to the American President Lines for the Philippine run in an effort to relieve the acute shortage of shipping tonnage.

RUMOUR DENIED
LONDON, July 30 (Reuter).—It is learned in London that there is no truth in the rumour that 20,000 American soldiers are already in Egypt.

The only American service personnel in Egypt are a few observers who are there in connection with considerable deliveries of American equipment now taking place in the Middle East.

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TO-DAY at the KING'S

"WICK'S" BOWLS NOTES

Seven Clean-sweep Victories Over Week-end

Relegation Danger In Senior Division

Disappointing Rink Games

WITH ALL the leading teams winning their matches, there was little of note in last week's League programme except in the scores. In this connection, no fewer than seven teams—three in the First Division, two each in the Second and Third—had clean sweeps, while A. R. Dallah's Indian R. C. rink (J. Hoosen, A. K. Ismail and U. A. Rumjahn) registered the first "possible" in the First Division this season.

Craigengower C.C., despite the absence of three of their best men, had little difficulty with the Police and won by five points to nil. The advantage of home green played the main part in the Craigengower success as the visitors at no period appeared to have settled down.

Biggest surprise in this match was the overwhelming defeat of J. Shepherd's rink which had only once before bowed to defeat.

This rink, consisting of W. McLeod, W. B. Harris and W. B. Dali, was completely outplayed by A. A. Razack, L. Gaddi, L. C. R. Souza and J. S. Landolt and lost by 24 shots.

Landolt, skipping a rink for the first time, had all the support he wanted from his front men, especially Razack who was on the jack on many of the heads, and Landolt himself, as usual when playing on the Craigengower green, was deadly.

Changes had to be introduced in the other two Craigengower rinks as well, but the well-ordered efficiency of the side on the whole remained unimpaired. U. M. Omar kept his 100 per cent record although he did not have his regular Nos. 1 and 2, while B. W. Bradbury, with A. M. Omar as his No. 3, won his ninth consecutive match.

THE domestic affair at Club de Reco ended in a 5-0 victory for the "A" team over the "B" as fully expected. It was a thoroughly enjoyable game, but the superiority of the "A" men was always apparent.

AT Sookunpoo, the Indians kept their home record intact by beating Kowloon B.G.C. "B" on all rinks, being up 20 shots all round at the end of the match.

Highlight of the encounter was the slight scored by A. R. Dallah's rink against P. A. Peckham's men on the third head. This was made possible by a beautiful shot played by U. A. Rumjahn, Dallah's No. 3, who squeezed Peckham's second shot through to leave six for his side.

While Dallah drew two more, Peckham—who could not afford to be short—was unfortunately a yard through with each wood.

The Indians were certain of seven but a measure revealed that there were eight in it—much to the jubilation of all the players on the green. And the whisky tasted good too!

Apart from Dallah's eight, the other two rinks also established early leads. M. R. Abbas was successful in all the first seven heads against Joe Meyer, who was up against it most of the time to lead shots to the good against L. Guy after the first five or six heads.

Thereafter, however, play was very even as the visitors got accus-

Cochrane Wins World Welterweight Title

NEW YORK, July 30 (UPI).—Freddie Cochrane won the world welterweight championship over 15 rounds to-day, beating Fritz Zivic on points at Newark, New Jersey.

The bout was very close but the referee awarded Cochrane the verdict amid the applause of 10,000 spectators.

trained to the green which, to them, must have been very heavy.

CIVIL Service C.C., at home to Kowloon B.G.C. "A", managed to obtain a point, thanks to a one-shot victory scored by M. N. Riksen over A. J. Hall. The other two visiting rinks were too good, Bob Duncan beating E.W.C. Simmonds by five shots while Adam Holford had 12 to spare against J. F. McGowan.

AS Craigengower seem almost assured of the First Division championship, it will be interesting to watch, in the next few weeks, how the bottom teams get on in view of the relegation rule. At the moment, Kowloon B.G.C. "B" are in the cellar position, but from the same number of matches played, Civil Service C.C. are only a point and a half in front, while Kowloon Docks are another point and a half ahead of the Civil Servants.

These are not the only three teams in danger of going down to the Second Division. Kowloon C.C. at the moment are on top of them, but are only one point ahead of Kowloon Docks and have played two matches more than the three teams mentioned.

IN the Second Division, the Championship seems to lie between Kowloon Tong and Kowloon F.C. Taking advantage of the fact that Kowloon Tong were idle last week, the Footballers got to within two points of their rivals as the result of their clean sweep over Craigengower C.C. It was a good performance.

The Third Division leaders, Kowloon B.G.C. and Indian R.C., clashed at Austin Road last week and after a close and exciting game, the scores were tied. The home team, however, were up on two rinks and therefore took three points against the Indians two.

S. M. Rumjahn's 15-shot win over C. Wallis, the hitherto unbeaten Bowling Green skip, nearly gave the Indians the major share of the spoils, but the other two Indian skips, A.



Hardly a good head judging by the scattered woods! W. S. Dali, No. 3, seems apprehensive about what his skip, J. Shepherd, is about to do. L. Gaddi, L. C. R. Souza (Craigengower), W. McLeod (Police), and A. A. Razack (C.C.C.) standing around. W. Mair (Police) is in the background on the next rink.—Ming Yuen.

Bowls Tournament

Smashing Victory For Prison Officers' Rink

CHAMPIONSHIP LAWN BOWLS yesterday was confined to one match in the Rinks, and one in the Pairs Tournaments. In the first, at the Hongkong Football Club, Tom Pile's Prison Officers' rink (V. McCurragh, G. V. McGrath and G. Foster) trounced T. A. Madar (W. K. Way, E. Zimmern and T. Lock 28-8).

The Pairs game was played at the Police Club, and S. R. Solina and K. M. Omar surprised their Club-mates L. Gaddi and C. S. Rossettel 28-16.

THE PRISON OFFICERS were on top from the start. They opened with a 2 and a 4 on the third end, and were leading 11-1 at the 7th. Madar and his men were only able to score on six of the 21 heads, and at no period were the winners challenged.

Scores were:
T. Pile: 2, 0, 4, 2, 1, 1, 1, 0, 0, 1, 0, 2, 0, 3, 3, 1, 1, 0, 1, 3, 2, 2, 0
T. A. Madar: 0, 1, 0, 0, 0, 0, 0, 0, 1, 1, 0, 1, 0, 1, 0, 0, 0, 0, 0, 0, 0, 0, 0

Second Half Rally

A DETERMINED RECOVERY over the middle-heads, and then consistent scoring in the second half spell victory for K. M. Omar and S. R. Solina when they met their Club-mates, L. Gaddi and C. S. Rossettel, yesterday in the Pairs Championship.

Gaddi and Rossettel went off to a good start and gave every indication that they would be the eventual winners—the score on the 7th being 10-2 in their favour.

But over the next five heads—wherein they scored 22-5-1—Solina and Omar took the lead which they gradually increased over the last heads.

Scores were:
Rossettel: 0, 0, 2, 0, 3, 0, 0, 1, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0
K. M. Omar: 1, 0, 1, 0, 0, 0, 0, 0, 2, 2, 5, 4, 1, 0, 3, 0, 1, 4, 0, 1, 2, 1, 2

Hongkong F. C. Rinks

THE following rinks have been chosen by the Hongkong Football Club for League lawn bowls matches on Saturday:

2nd Div. v. Hongkong C.C. (home)—A. B. Coleman, J. D. Thomson, J. A. R. Selby and W. C. Watson, J. Gelling, C. Neesham and W. Macfarlane; B. P. Shaw, C. B. Robertson, A. Brooksbank and B. Robertson. Reserves: C. Carr and A. McAlpine.

3rd Div. v. Hongkong C.C. (away)—T. H. Pearce, L. Blekford, G. E. Stephens and D. A. Russell; R. Forrow, J. Thomson, A. G. Gratton and G. B. Grayson; A. Bailey, J. Russell, S. Strange and J. Halston.

M. Wahn and A. O. Madar, were not up to standard.

In consequence of this success, Kowloon B.G.C. are now in a very strong position. They are two and a half points ahead of the Indians, who have played one match more.

LAST Sunday's matches in the Open Rinks championship did not produce the exciting games that had been expected.

On the K.C.C. green, the Indian rink of J. Hoosen, A. M. Rumjahn, A. R. Dallah and M. R. Abbas got off to a good start and were never in danger of defeat.

If this game was one-sided, the one at Kowloon F.C. was even more so. A. J. Hall's K.B.G.C. rink of L. Sykes, W. McNeill and R. Duncan, were expected to be given a good run by J. A. Luz, C. E. Marques, L. F. Xavier and J. F. V. Ribeiro, but Jallah's men so completely outplayed their opponents that at one stage they led 20-4.

CRAIGENGOWER V. POLICE

Basketball

South China Beat Sing Tao By One Point

Wu Teh-chen Cup Match

BASKETBALL crowd at Waterloo Road yesterday, on miniature scale, resembled the soccer crowd that throngs Caroline Hill on days of big matches. Stands were packed and the hillside behind formed a natural stand for the surplus spectators.

As was for the "big" match of the Basketball League for the Wu Teh-chen Cup, South China and Sing Tao, the top squads of the Colony, was in combat, and after a thrilling game that kept the crowd on edge throughout, South China emerged winners by 31-30.

As a whole, Sing Tao played a more polished game and except for the last moment were at no time threatened. The losers led all the way through and at the interval piled up 16 points against 10.

Leading the winning team, Chung Ling was remarkable for his long shooting and his close combination with Shek Chun-lai led the team to victory. Prominent player for Sing Tao was Lo Chun-huen.

Second Half Rally

After the interval South China quintette, with the majority of the spectators rallying behind them, played their opponents to a standstill. In less than 10 minutes they dead-locked the score at 20.

Recovering from their slump, Sing Tao put on full steam and again overtook the winners by six points. At the last moment, only about five minutes to go, South China again came within striking distance and succeeded in dead-locking the score at 30.

A last free shot against Sing Tao gave South China the victory. South China A.A.—Chung Ling (14), Shek Chun-lai (10), Chow Kik-man (4), Shek Chun-chi (1), Ng Sun-chu (2).

Sing Tao—Lo Chun-huen (13), Chan Si-bun (6), Chan Yu-ching (4), Lee Pul-chik (4), Leung Kwok-tok (3).

Indian Police Beaten

Another game of minor interest was played on the same court between Police and National University, the latter winning 60-29.

The match was a one-sided affair, the Chinese outplaying their opponents in every department.

High scorers were Chan Siu-luk (17) and Chan Sun-kau (10) for the winners and Nordin Singh (11) and Charnan Singh (10) for Police.

Scores were:
P.N.U. 3, S.C.A.A. 6
T. C. Yu and E. Wong beat J. Hsu and T. C. Kwok 6-3; lost to K. H. Ip and S. Y. Li 5-9; beat K. I. Chan and H. N. Wong 6-1.

K. C. Ng and Y. Y. Lam beat Hsu and Kwok 6-0; lost to Ip and Li 4-6; lost to Chan and Wong 2-0.

F. K. Lau and C. C. Chiu lost to Hsu and Kwok 1-0; lost to Ip and Li 5-7; lost to Chan and Wong 3-6.

K.I.T.C. 5, I.R.C. 4
S. A. Hsuan and C. M. K. Chan beat A. M. Rumjahn and J. Kitchell 6-4; beat A. Rahman and M. A. Wahab 6-3; lost to M. P. Madar and A. H. H. Email 5-7.

Bencher and S. B. Hsuan beat Rumjahn and Kitchell 6-2; beat Rahman and Wahab 6-2; beat Madar and Email 6-2.

T. Trench and Y. Khan lost to Rumjahn and Kitchell 1-0; lost to Rahman and Wahab 5-7; lost to Madar and Email 0-6.

charge of 20 cents for admission will be made. The programme will be as follows:
50 metres free-style; 100 metres breast-stroke; Women's 100 metres free-style; 100 metres breast-stroke; 200 metres free-style relay (teams of four); 200 metres breast-stroke; 100 metres free-style; Exhibition diving; 100 metres medley relay (teams of three); 100 metres back-stroke; Women's 200 metres breast-stroke (invitation race) and 100 metres free-style.

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"Hawkins, did Lord Henry empty crême de menthe amongst my goldfish in the course of last night's party?"

"Not to my knowledge, Sir. There was no crême de menthe to empty."

"Then I must have dreamt it. A vivid dream, Hawkins, because their noses all turned red."

"Undoubtedly a dream, Sir, since I took the precaution of evacuating the bowl to my pantry when Lord Henry began to sing."

"Very wise of you, Hawkins."

Were many glasses broken?"

"None, Sir."

"No casualties to any of the guests?"

"No, Sir. And judging from the amount of Rose's consumed, there will be no headaches this morning either. We got through six and a half bottles of Rose's Lime Juice."

"Well, it's all in a good cause. And now, get me a really big breakfast. And give the goldfish a double ration of ants' eggs, just to celebrate their hairbreadth escape."

NANCY

By Ernie Bushmiller



Roosevelt Warns Of Inflation Dangers

Special to the "Telegraph"

WASHINGTON, July 30 (UP).—Warning that America's defence effort is being jeopardised by an inflation threat, President Roosevelt to-day asked Congress to enact price and rent control legislation, and to bring about the establishment of wage ceilings by co-operation with labour and industry.

The President's special message did not recommend the actual legal establishment of maximum wages, admitting that "there will always be a need for wage adjustments from time to time to rectify inequitable situations."

"But labour as a whole should form the best labour policy which recognises that wages in defence industries should not substantially exceed the prevailing wage rates comparable to the non-defence industries where war and labour policies have been maintained."

"Already through the efforts of the National Defence Mediation Board and the wage stabilisation committee, wage standards are being established, and a measure of wage stability is being brought into particular industries. It is expected that such activities will be continued, extended and made increasingly more effective."

Efforts Threatened

WASHINGTON, July 30 (UP).—President Roosevelt, in a special message to-day, declared that "inflationary price rises and increases in the cost of living are to-day threatening to undermine our defence efforts. I am therefore recommending to Congress the adoption of measures to deal with this threat."

The message continued: "We are now spending more than \$30,000,000 daily on defence. This rate must increase. In June this year we spend about \$800,000,000—more than five times the \$153,000,000 we spend in June 1940."

"The consequences of inflation are well known. Producers are unable to determine what their costs will be and hesitate to enter defence contracts or otherwise commit themselves. Speculators anticipating successive price advances, withhold

KUNG ON FREEZING

Allays Fears Of Chinese

CHUNGKING, July 30 (Central News).—Dr H. H. Kung, Vice President of the Executive Yuan and concurrently Minister of Finance, announced to-day that there is no reason for apprehension in China over the freezing of Chinese funds in the United States and Great Britain for foreign exchange can be made available to meet the requirements of the Chinese Government and legitimate business needs.

General licenses are being immediately issued to the Chinese Government, the Central Bank of China and other general licenses will follow soon after, Dr Kung said, adding that every effort is being made to minimize the interference with the normal functioning of the Chinese Government and the interruption of Chinese trade.

Commodities from essential military production. The costs to the Government increase, and with them the public debt. The burden of defence is thrown haphazardly and inequitably on those with a fixed income or those whose bargaining powers are too weak to secure increases in income commensurate with the rise in the cost of living; and over all hovers the spectre of future deflation and depression."

Fifth Columnists In Iran & Afghanistan

LONDON, July 30 (Reuter).—"A vast German fifth column" is in Iran and Afghanistan, according to the Eastern Correspondent of the Independent French Agency.

The correspondent says: Great Britain and Russia are at present engaged at Teheran and Kabul in combating the subterranean activities of this fifth column. Utilising these two centres as bases, German agents and saboteurs are infiltrating into the neighbouring territories on the Soviet Caucasian republics, the Republics of Turkmen and Soviet Turkistan as well as the North-West Frontier of India.

"Accidents which appear to be attributable to sabotage in industrial centres in the Caucasus have led to increased vigilance by the Soviet authorities."

"It is understood that Great Britain is specially concerned with safeguarding the refineries and oil wells of the Anglo-Persian oil Company in southern Iran. There is good reason to believe that German agents are working in close collaboration with White Russian refugees, some of whom have been furnished with German passports."

The Soviet and British Ministers have drawn the attention of the Iranian Government to the dangerous activities of the German agents who are trying to enlist the support of Iranian subjects trading in Soviet and British territories.

Strict Neutrality

"It is noted that twice within a period of six weeks, the Afghan Government has made a point of proclaiming its determination to maintain strict neutrality. Nevertheless, certain groups of young Afghans have been won over to Nazi ideas and are playing the game of the local Nazi agents who are conducting propaganda of a somewhat simple and unoriginal character. They emphasise first that the Afghans owe it to themselves to ensure the return of Afghan minorities to their country and second, that a country like Afghanistan should have a powerful air force to ensure its defence."

U. S. TYRES TO COST MORE

SPECIAL TO THE "TELEGRAPH". AKRON, Ohio, July 30 (UP).—The Goodrich, Goodyear and General Tyre Companies to-day announced increases in their dealer list prices of tyres and tubes which trade circles reported as meaning a price advance of about five per cent to retail buyers.

The trio announced an immediate increase of 2.4 per cent in the dealer price listings with taxes, excluded from the list. The tax hitherto has been included in the overall dealer prices.

It is reported that the Firestone Tyre and Rubber Company is contemplating a similar announcement.

It is announced that the action "reflects to a small percentage the increased cost of raw materials—rubber and cotton."

MORE BRITISH NEWS, PROMISE

LONDON, July 30 (Reuter).—Mr Brendan Bracken, the new Minister of Information, was tackled in the House of Commons to-day on the question of expediting the release of spot news and topical pictures to the United States and British Dominions.

He was asked to take into consideration the fact that the eminent American journalist, Dorothy Thompson, said that more hot news was wanted in America.

He declared that he would do everything in his power to give the maximum amount of news, and photographs to the United States and the British Dominions and indeed to any part of the world that would like to have British news.

INDIA BLOCKS CREDITS

BOMBAY, July 30 (Reuter).—The Reserve Bank of India has issued instructions to all banks that the accounts of all persons and firms resident in China, including Shanghai, or accounts of all firms and companies incorporated in that country or under the control of residents in these territories and operating in India shall be blocked.

Banks have been informed that they may honour obligations under confirmed credits opened on or before July 30, 1941 on behalf of residents in those territories and that they may also accept bills or pay cheques drawn by such persons provided they are presented by residents in India who became holders for the value on or before July 30, 1941.

Exempted From Order

The following accounts are exempted from the order but funds therein are released for payment within the sterling area only: Central Bank of China, Bank of China, Bank of Communications, the Farmers' Bank of China, the National Government of the Republic of China or any agency of it.

In addition, for the time being, exemption also applies to accounts in India of Chinese branches of authorised dealers in foreign exchange.

Private remittances to China are no longer permitted and remittances for commercial purposes must be credited in rupees or sterling to any exempted account or to the blocked rupee account of a resident of China. Private accounts of Chinese residents in India are not restricted.

Konoye Thinks War Serious

TOKYO, July 30 (Reuter).—"There is no doubt that this war is bringing serious effects to Japan," declared Prince Konoye, Japanese Prime Minister, addressing the 16th Plenary Session of the National Mobilisation Investigatory Commission to-day.

"Moreover, it is difficult to predict where this conflict in Europe may spread," added Prince Konoye, "in view of the rapidly changing world situation everyone in Japan must always be prepared to meet the worst."

"The Government is doing everything within its power to mobilise the country's resources and man-power to meet any situation that may arise in the future."

Prince Konoye urged members of the Commission to study all problems in bringing about the speedy carrying out of all Government mobilisation plans.

Queen Wilhelmina Goes On Tour

LONDON, July 30 (Reuter).—"Should circumstances arise owing to the geographical situation of the Netherlands East Indies, to force a fight upon us, there is no doubt, whatsoever that we would, with our Allies, accept that fight," declared Queen Wilhelmina of Holland in a special broadcast to her subjects all over the world to-night.

Adding that she did not forget her peoples in the western hemisphere to whom the torch of war could bring its horrors, she knew that an appeal to their peoples, the army and the navy to bear the sacrifices would not be invalid.

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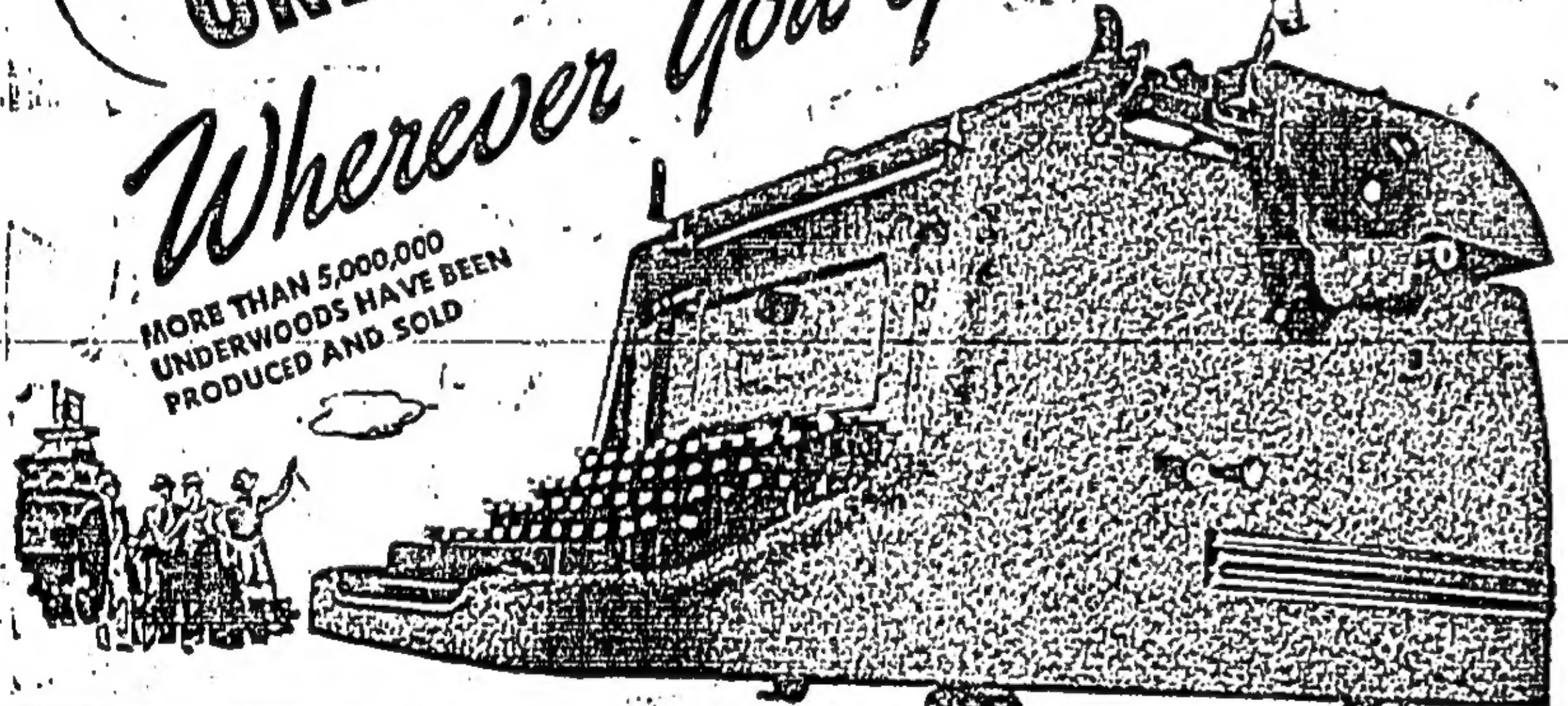
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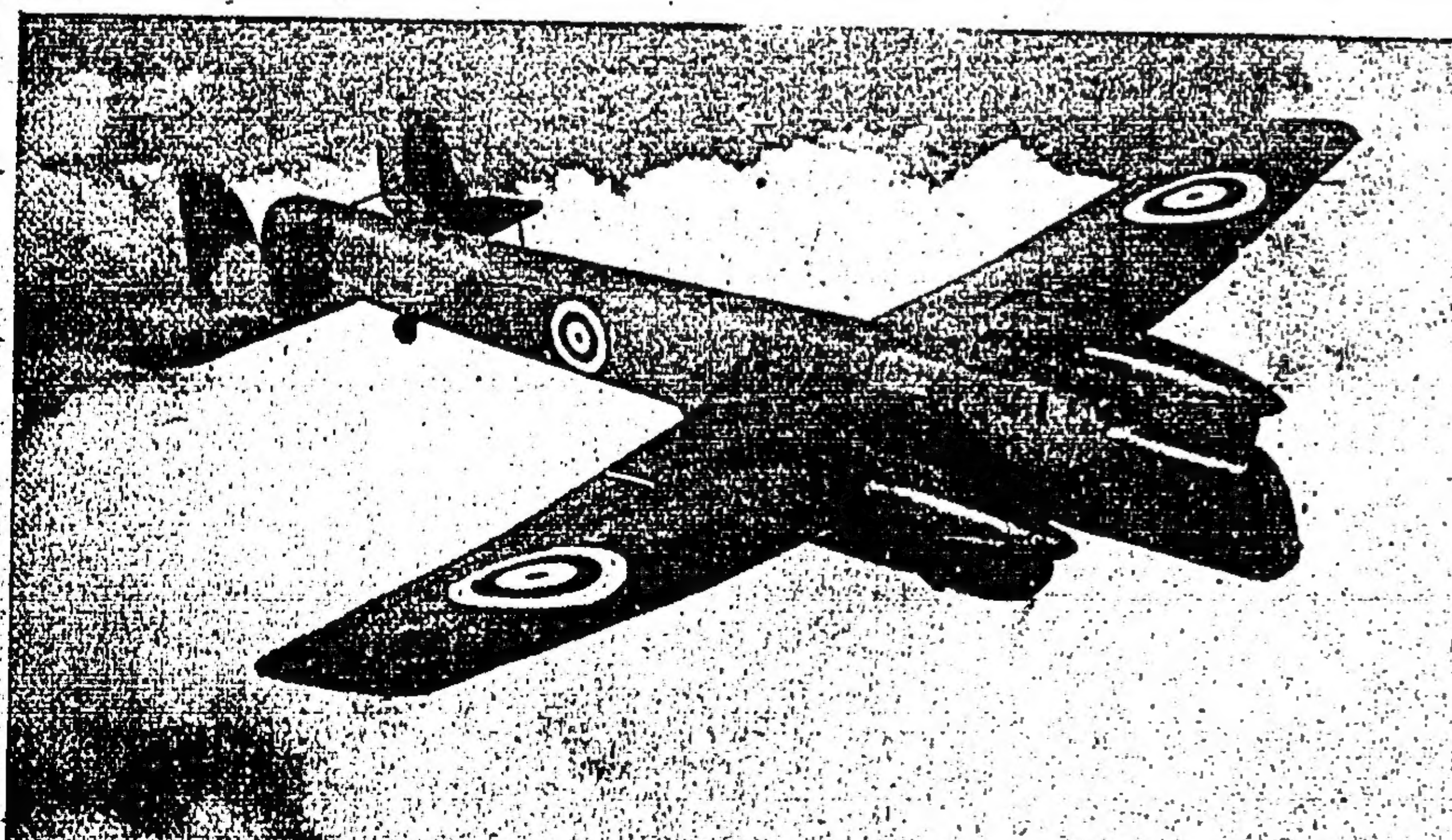
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